

**Executive Summary**

Dull trade activity was featured in the domestic oilseeds and fats market during the week under review due to festivities. The major soybean and RM seed cash markets remained closed most of the weekdays. The oilseeds and meal prices slightly tried to move upwards immediately after the festivities but they failed to sustain at higher levels.

Harvesting of soybean slowed down and poor off-take reported due to lower supplies during the period. The supplies are expected to surge in near-term with likely gain momentum in the soybean harvest with rise in demand in the beans from solvent extractors followed by improved crushing in the same.

The overseas soy meal demand of Indian origin starts picking-up in late Oct. and early Nov. due to the competitive price followed by peak season.

Besides, bullish fundamentals are expected to support RM seed prices in near-term with the seasonal rise in RM oil demand with subsequent demand in the seed from millers.

We expect oilseeds and meal prices to recover on likely rise in seasonal demand in near to medium term.

**International**

**US:** US soybean harvesting is complete by 87 percent, up compared to 5 year average of 79%. This is expected to increase the soybean supplies in US slightly early and may pressure the soybean prices.

**China:**

As per CNGOIC, Chinese crushers processed 1.3 million tonnes of soybean last week; however crushers are running at a higher capacity due to improved crush margins.

CNGOIC estimates Chinese's soy imports in December at 4.7 million tonnes and 4.6 million tonnes for January.

**Oilseed Prices at Key Spot Markets:**

Commodity	Centre	Prices (Rs/Qtl)		Change
		29/10//11	22/10//11	
Soybean				
	Indore –Plant	2180-2220	2190-2220	Unch
	Indore –Mandi	2070-2110	2050-2150	-40
	Nagpur-Plant	2150-2200	-	-
	Nagpur – Mandi	2040-2080	-	-
	Kota-Plant	2150-2170	2100-2125	45
	Kota – Mandi	2000-2080	2000-2060	20
	Bundi-Plant	2140-2170	2125	45
	Bundi-Mandi	2000-2070	1950-2010	60
	Baran-Plant	2150	2100	50
	Baran-Mandi	2030-2050	1950-2000	50
	Bhawani MandiJhalawar – Kota Plant Delivery	-	2080-2100	-
	Jhalwar-Mandi	-	1975-2000	-
Rapeseed/Mustard	Jaipur – C	3080	3000-3005	75
	Alwar – C	2950-2960	2925-2950	10
	SriGanganagar (NC)	2570	2460	110
	Kota	2500	2600	-100
	Neewai	3000	3000	Unch
	Delhi– C	3050	3075	-25
	Hapur (UP)	3030	3070	-40
Groundnut Seed	Rajkot	Closed	645	-
	Junagarh	-	-	-
Sunflower Seed	Latur	28500-31500	28000-30500	1000
	Gulbarga	-	-	-
	Solapur	30100-32500	30500-32500	Unch

Soybean Prices are in INR/Qtl. Mandi prices – Loose, Mustard Seed Prices are in INR/Qtl.C – Condition (42%), \*Groundnut seed inRs/20 kg, Sunflower Seed in Rs/Qtl

### Oilseed Arrivals in Key Centers:

Commodity	Centre	Arrivals in Bags/Qtl		Change
Soybean		Current Week	Previous Week	
	Madhya Pradesh	680000	2925000	-2245000
	Maharashtra	500000	925000	-425000
	Rajasthan	400000	950000	-550000
	Bundi (Raj)	37000	38000	-1000
	Baran (Raj)	72000	11400	60600
	Jhalawar (Raj)	Closed	70000	Closed
Rapeseed/Mustard	Rajasthan	85000	227000	-142000
*Sum Arrivals during the week.				

### Oil Meal Prices at Key Spot Markets:

#### Soy DOC Rates at Different Centers

Centers	Ex-factory rates (Rs/ton)		
	29/10//11	22/10//11	Parity To
Indore (MP)	15800	15700	Gujarat, MP
Kota	15900	15500	Rajasthan, Del, Punjab, Haryana
Akola	15700	15600	Andhra, Chattisgarh, Orissa,Jharkhand, WB
Hingoli	16200	16100	Andhra, Chattisgarh, Orissa,Jharkhand, WB
Nanded/Latur	16200	16100	Andhra, AP, Kar ,TN
Dhulia/Jalna	16800-17000	16500	Mumbai, Maharashtra
Nagpur (42/46)	16000	15800	Chattisgarh, Orissa, Bihar, Bangladesh, AP, Kar, TN
Sangli	16700	16400	Local and South
Solapur	16700	16300	Local and South
Bundi	15800-16000	15700-16000	-

**Soy DOC at Port**

Centers	Port Price	
	29/10//11	22/10//11
Kandla (FOR) (INR/MT)	17100-17300	16000-16500
Kandla (FAS) (USD/MT)	352-356	320-330

**International Soy DOC**

Argentina FOB \$/MT	29/10//11	22/10//11	+/-
Soybean Pellets	348	353	-5
Soybean Cake Meal	348	353	-5
Soybean Meal	356	361	-5
Soy Expellers	356	361	-5

**Sunflower Meal Rates**

Centers	Ex-factory rates (Rs/ton)		
	29/10//11	22/10//11	Change
Adoni	13400	13500	-100
Khamgaon	12600	12600	Unch
Latur	13100	13100	Unch
Parli	13100	13200	-100

**Groundnut Meal**

Groundnut Meal	29/10//11	22/10//11	Chg
Basis 45% O&A, Saurashtra	Closed	14500	
Basis 40% O&A, Saurashtra	Closed	13500	
GN Cake, Gondal	Closed	15000	

**Mustard DOC/Meal**

Mustard DOC/Meal	29/10//11	22/10//11	Chg
Jaipur (Plant Delivery)	Closed	7400	-
Kandla (FOR)	Closed	8300	-

**Soybean**

The domestic soybean harvesting is underway but was slowed down due to festivities during the week under review. The harvesting is done in Maharashtra, above 90 per cent of the soybean is harvested in Madhya Pradesh, around 80 per cent in Rajasthan.

Sunny and dry weather remains favorable for harvesting. We expect the harvesting in key growing states to complete by second week of November.

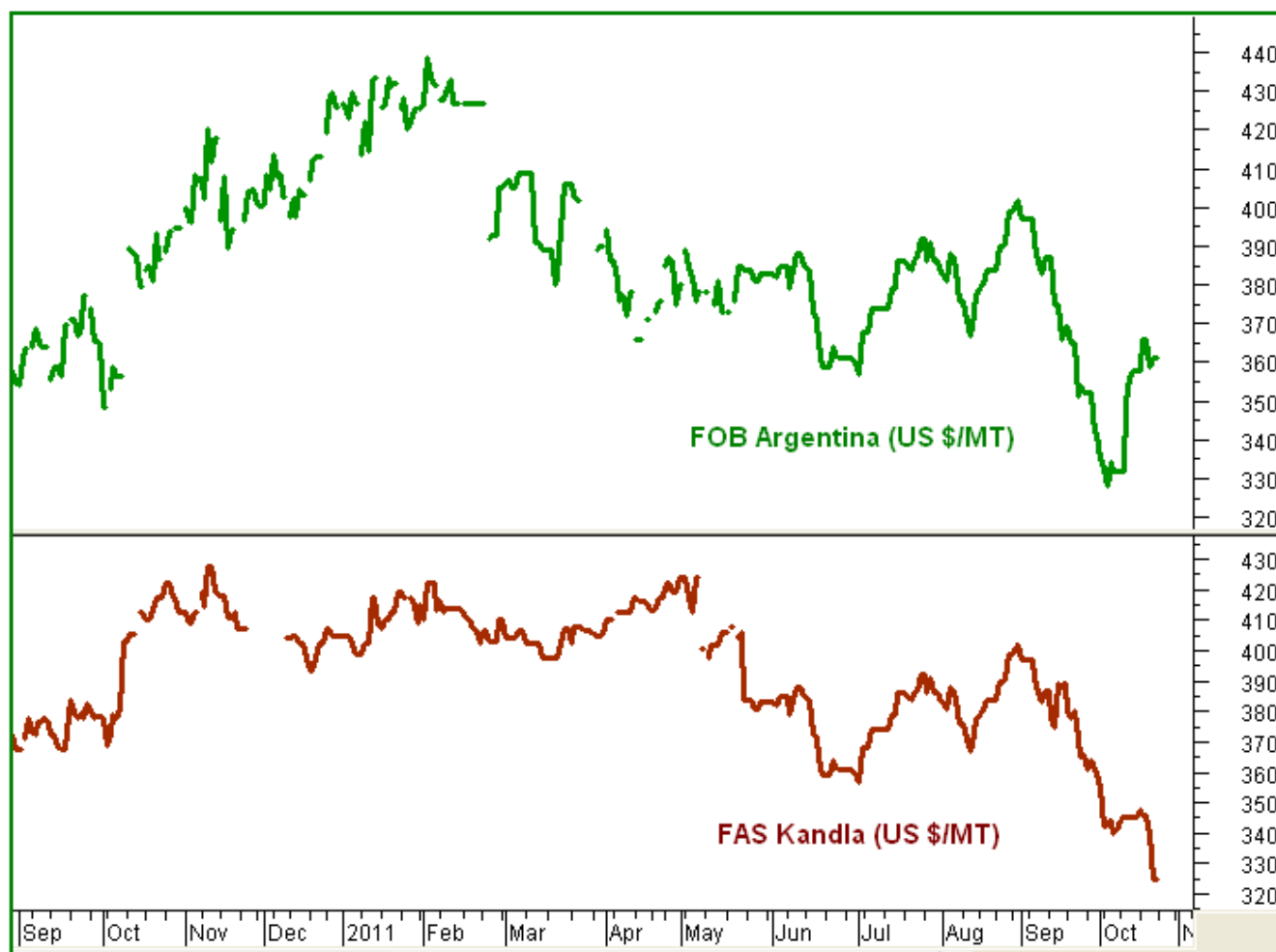
Soybean Crop Condition	Stage	Condition
Madhya Pradesh	Harvesting	Good
Maharashtra	Harvesting	Excellent
Rajasthan	Harvesting	Excellent
*Condition with respect to disease, pest and abiotic stress		

The big market players like ADM, Adani, Cargill and others have not yet actively participated in the market with an objective to procure for stocks.

The market participants feel that the market is yet to witness peak soybean arrival, which is expected by second week of November. The soybean prices will tend to soften if the arrivals peak during the period.

### Soy meal- FAS Kandla Vs FOB Argentina (Spread)

Dull trade activity featured during the period under review followed by festivities. No major overseas buying reported during the period.



The average weekly soy meal price spread between FAS Kandla and FOB Argentina is around US \$-5/MT compared to US\$-23/MT previous week.\* (**FAS Kandla less FOB Argentina.**). The Indian meal prices are competitive at the current levels compared with South American prices, which is a positive factor for the Indian soy meal exports in days ahead.

We feel India's soy meal prices to recover on renewed overseas buying and seasonal domestic demand in the from poultry feed industry.

## Soybean Crush Margin

Avg Weekly Crush Margin-Current Wk	Avg Weekly Crush Margin-Last Wk	Avg Weekly Crush Margin-Corresponding Period Last Yr
-155	-4.5	-183

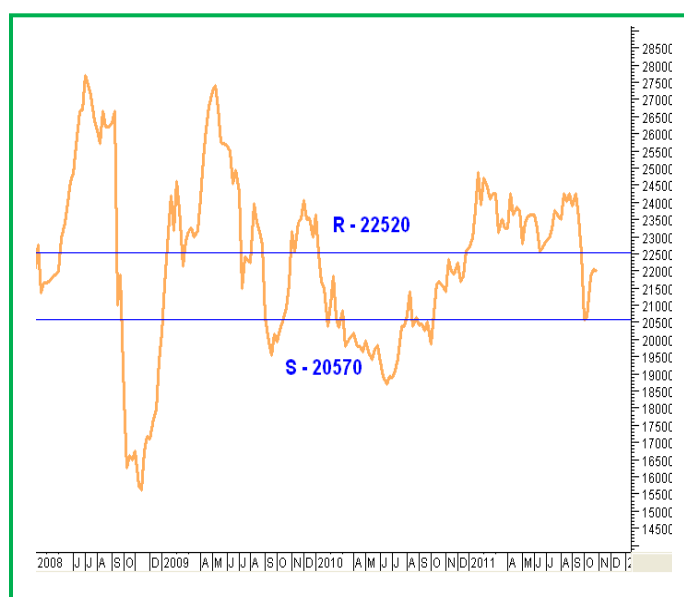
The crush margin deteriorated in recent past but it is likely to recover in coming weeks which will support soybean crushers. Expected rise in seasonal overseas and domestic soy meal demand will support the crush margin in positive territory. The period between November and January is the peak time for soy meal usage domestically as well as for exports.

## Technical Analysis:

### NCDEX Soybean Futures (Nov.)



### Soybean Spot, Indore



\*In Rs/MT

### Supports & Resistances NCDEX Nov Soybean

S2	S1	PCP	R1	R2
2111	2142	2176	2231	2266

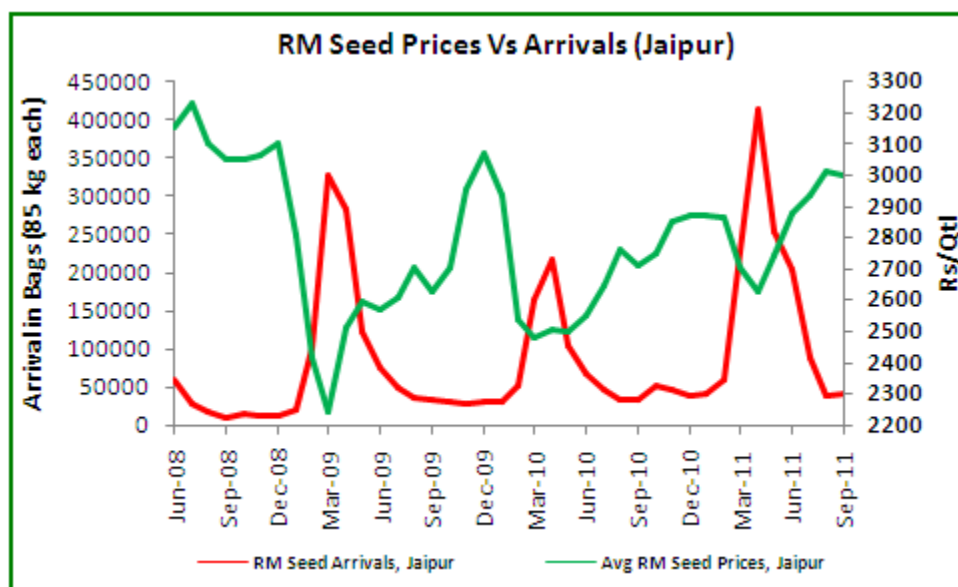
- The candlestick chart pattern features weakness in the market.
- Prices closed below 9-day and 18-day EMA supporting bearish momentum in near and medium-term.
- RSI is easing in neutral region while stochastic is rising in neutral zone. The soybean prices are likely to fall on selling pressure and move towards 2135– 2140 levels.
- **Trade Recommendation (NCDEX Soybean -Nov) – 1 week:** Sell on rise towards 2190–2200 levels. T1 – 2130; T2 - 2140; SL -2228.
- Spot:** We recommend sell on rise towards 2200 – 2210 levels.

## Rapeseed - Mustard Seed

RM seed prices were quoted higher but there were no buyers at the asked prices with as festive buying was over ahead of Diwali. Sluggish trade activity noticed throughout the week.

However, we feel the seed demand to improve towards mid November with subsequent seasonal rise in RM oil usage.

### RM Seed Prices Vs Arrivals, Benchmark - Jaipur



Arrivals significantly fell during the period under review due to festivities and reported at 1,10,000 bags compared to 2,20,000 bags a week ago.

### RM Seed Supply, Rajasthan

RM Seed Arrivals in Rajasthan in Bags (85 kg each).		
Weekly Arrivals	1 Week Ago	Corresponding Period Last Year
1,10,000	2,20,000	3,10,000

The RM seed fundamentals are remain strong in near to medium term on fresh seasonal buying activity.

## Technical Analysis:

### NCDEX RM Seed Futures (Nov.)



### RM Seed Spot, Jaipur



#### Supports & Resistances NCDEX Nov RM Seed

S2	S1	PCP	R1	R2
2952	2989	3041	3119	3140

- The candlestick chart pattern reveals selling pressure in the market.
- Prices closed above 9-day and 18-day EMA reflecting bullish momentum in near and medium-term.
- RSI is declining in neutral region while stochastic is heading upwards in neutral region.
- MACD is rising in positive region. The RM seed prices are expected to fall and move towards 2980-2985 levels.
- **Trade Recommendation (NCDEX RM SEED - Nov) – 1 Week:** Sell on rise towards 3055– 3065 levels. T1 – 3000; T2 - 2990; SL - 3086.

**RM Seed Spot:** In spot the RM seed prices are expected to fall during the week towards 3020 – 3030 level. We recommend sell on rise towards 3090 - 3100 levels.

#### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>  
© 2005 Indian Agribusiness Systems Pvt Ltd.