

## OILSEED DAILY

AUGUST 17, 2006

### SOYBEAN

#### SPOT MARKETS

Firm sentiments were observed in the soybean spot market. The mandis remained closed because of the 'Krishna Janmashmi' festival in the Indore and Maharashtra, resulting in no arrival. However, the plant prices remained steady with bullish undertone on firm demand from crushers. Sowing progress of the soybean is far more satisfactory as it has sown on about 7.9 million hectares, which is higher than the area on the same time previous year. Traders expect a good soybean harvest this year. The spot prices appear to be firm in the coming days.

#### FUTURES MARKETS:

The soybean futures market exhibited firm sentiments on speculative buying. The Indian Government rolled back its hike in tariff values on Palm oil group and Soy Oil group, as it believed that this might increase inflation, which may keep government in trouble. It is to be recalled that earlier it hiked the base import prices on the above said group in the line with the international prices. The futures are likely to exhibit positive sentiments in the coming days. Most active September contract traded in between 1281.55-1296 on Wednesday.

#### PRICE DRIVERS:

1. Firm demand in the spot market
2. Reduction in duty on Crude Palm Oil (CPO) to 70% from 80% and RBD Palm Oil to 80% from 90%.
3. Government rolled back increased tariff value on Palm Oil group and Soy Oil group, which was earlier notified on 14<sup>th</sup> August 2006

#### Weather

Heavy to very heavy rainfall at a few places with isolated extremely heavy falls (25 cms or more) likely over southwest Madhya Pradesh. Isolated heavy to very heavy falls also likely over Saurashtra & Kutch, southeast Rajasthan, northwest Madhya Pradesh, north Marathwada and north Madhya Maharashtra.

#### TECHNICALS

Candlestick pattern showed bullish sentiments in the September contract. EMA touched the price line, which indicates strength in the market. %K line made a bullish crossover to %D line in oversold region. DAV touched the MACD in the negative region. RSI also made a bullish crossover to its smooth average in the neutral region. Volume increased while open interest declined on Wednesday. Indicators suggests steady to firm sentiments.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
September	1282	1276	1295	1308	1312

#### TRADE RECOMMENDATION: (Intraday)

Buy NCDEX September contract near 1292, T1-1304, and stop loss below 1286.

#### SPOT MARKET PRICES

Centers	Market	16.08.06	14.08.06	Change	Arrivals (Bags)
Indore	Plant	1250-1265	1245-1265	-	-
Indore	Mandi	-	1190-1220	-	
Maharashtra	Plant	1310-1315	1310	+5	-
Maharashtra	Mandi	-	1250-1270	-	
Kota	Plant	1250-1260	1240-1255	+5	1500-2000
Kota	Mandi	1200-1220	1200-1220	-	

## MUSTARD

### SPOT MARKETS

Mustard spot market traded with weak sentiments at major mandis at the Jaipur, Alwar, Agra, Sri Ganga Nagar and Kota due to lacklustre demand. It was offered at much higher prices at all of these places due to more supply as compared to demand. The bearish undertone is likely to continue in the coming days also.

### FUTURES MARKETS:

Mustard futures exhibited mixed sentiments at the NCDEX, as some remained slightly bearish while others remained bullish on Wednesday. The Indian Government rolled back its hike in tariff values on Palm oil group and Soy Oil group to check inflation. It is to be recalled that earlier it hiked the base import prices on the above said group in the line with the international prices. The most active September contract exhibited almost equal movement on both sides, exhibiting indecisiveness. It hovered between 355.25-357.95. The futures is likely to hover in a range bound pattern with a slight bearish undertone.

### PRICE DRIVERS:

1. Speculative selling in the Futures market
2. Reduction in the duty on Crude Palm Oil (CPO) to 70% from 80% and RBD Palm Oil to 80% from 90%
3. Government rolled back increased tariff value on Palm Oil group and Soy Oil group, which was earlier notified on 14<sup>th</sup> August 2006

### Weather

Heavy to very heavy rainfall at a few places with isolated extremely heavy falls (25 cms or more) likely over southwest Madhya Pradesh. Isolated heavy to very heavy falls also likely over Saurashtra & Kutch, southeast Rajasthan, northwest Madhya Pradesh, north Marathwada and north Madhya Maharashtra.

### TECHNICALS

September contract candlestick pattern exhibited indecisiveness at NCDEX. EMA remained far above the price line underline the prevalence of the bearish trend. %K line ruled below the % D line in the oversold region. DAV also ruled below MACD in the negative territory. RSI ruled below its smooth average line in neutral region Volume declined while open interest increased on Wednesday.



### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
September	354	353	357	359	360

### TRADE RECOMMENDATION:

**Sell** NCDEX September contract near 357.50, T1- 355.50, and stop loss above 358.50.

### Status of Price & Supply of Mustard (Rs./Qtl)

Markets	16.08.06	14.08.06	Change	Arrivals (Bags)
Jaipur (C)	1745	1750	-5	4000
Alwar(C)	1640	1650-60	-20	800
Delhi(C)	1770	1770	-	500
Agra(C)/Katchi Ghani	1830/4250	1840/4300	-10	-
Sri Ganganagar (NC)	1535-40	1560-70	-30	500
Kota (NC)	1530-1570	1550-80	-10	1000

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET

Groundnut remained firm on steady demand. Groundnut seed in Rajkot Mandi was offered at Rs 385 per 20 kg and groundnut oil traded at Rs 525 per 10 kg. Arrivals remained at 7000 bags in Gujarat Mandi.

### Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kg)	
	16.08.06	14.08.06
Gr Kernel	2675*	2675*
Bolds 60/70	3250*	3250*
Javas 60/70	3300*	3300*
Javas 70/80	3225*	3225*
Javas 80/90	3150*	3150*

**\*Plus Tax / Against Form. X CST Paid. @ VAT Exempted**

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