

OILSEED DAILY

7th July 2007

SOYBEAN

SPOT MARKETS:

At CBOT, below normal rains over western Corn Belt and view of corn crop likely to face water stress in eastern Corn Belt helped soy futures bounce back. Good deliveries for soybean July contract do not seem to provide much resistance to soy futures from firming up. With Centre keeping the base import price of edible oils unchanged, prices of soy oil across Indore and Mumbai region stood steady at previous days levels. However, soybean and soymeal prices continued to hold firm on good demand and dwindling stocks of beans. With prices of maize likely to shoot up, demand for protein meal [soymeal] as feed for poultry and livestock would keep its prices almost firm in short to medium term. For soybean, a good sowing progress may bring in short term weakness, however festive demand for soy oil during August month and bullish sentiments in overseas markets would keep prices of oil and beans almost buoyant.

FUTURES MARKET: -

The most active August contract for soybeans at NCDEX traded bullish on speculative buying. The futures opened at Rs 1606/qrtl against previous closing of Rs 1603/qrtl. Futures closed lower at 1624.5/qrtl.

PRICE DRIVERS:

1. Steady to slightly improved domestic soymeal sentiments
2. Good sowing progress of soybean.
3. Firm soy futures at CBOT.
4. Steady to slightly firm palm oil at BMD.
5. Dearth of ready available beans.

WEATHER:

Monsoon has nearly covered major soybeans producing regions.

TECHNICALS: -

Candlestick chart shows indecision at higher level. Long upper shadow indicates selling pressure at higher level. Momentum indicator remains bullish for short & medium term. Both the Stochastic and RSI are moving flat in the over bought region. Both the Volumes and open Interest declined. Market is expected to trade range bound with weak bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	1611	1614	1624.5	1626	1628

Trade Recommendation:

SELL NCDEX August Soybean contract near 1623 with target T1 at 1619 and T2 at 1617. Put SL at 1625.

SPOT MARKET PRICES: -

Markets	Market	06.07.07	05.07.07	Change	Arrivals (Bags)
Indore	Plant	1600-1610	1580-1585	+25	20,000
Indore	Mandi	1530-1550	1480-1540	+10	
Maharashtra	Plant	1670-1700	1675	+25	10,000
Maharashtra	Mandi	1650-1670	1620-1630	+40	
Kota	Plant	1600-1610	1600	+10	3,000
Kota	Mandi	1575-1580	1550	+30	

MUSTARD

SPOT MARKETS:

Arrivals couldn't keep up its steady pace by weekend. Around 30,000 bags arrived on Friday, a decline of around 10,000 bags over previous day's arrivals and subsequent decline of 15,000 bags over Mondays arrivals. Steady to good demand of mustard seeds by millers and hoarding up of seeds by traders in anticipation of better price ahead of festive season supported seed prices on Friday. Recouping previous days weakness, seed prices stood firm across spot markets except for steady prices reported across Alwar and Agra. Rapeseed oil traded firm across Rajasthan, whereas mustard expeller oil prices stood steady at previous days levels. Mustard seed prices firmed up marginally across Delhi, Hapur and Sirsa exchange on tracking slightly firm soy complex. Until lean season is over by end of August, mustard complex is likely to hold firmness for short to medium term.

FUTURES MARKET: -

The NCDEX Mustard seed August traded firm on good buying support at current price levels. The futures opened at Rs 450/20 Kg against previous closing level of Rs 450.55/20 Kg. Futures closed slightly up at Rs 452.7/20 Kg.

PRICE DRIVERS:

1. Steady to firm prices for expeller oil.
2. Steady arrivals pressure across spot markets.
3. Steady demand from vanaspati units and processors.
4. Restricted selling from stockists.

WEATHER: -

Weather is insignificant for mustard except for impact on

TECHNICALS: -

Candlestick shows weakness in prices. Long upper shadow indicates selling pressure at higher level. Prices closed between the short-term. MACD is moving down in neutral zone following a bearish cross over. Both Stochastic and RSI are trending lower in neutral region, indicating short-term weakness. Both Volume and open interest declined. Prices are likely to trade down following a steady to slightly weak opening with possibility of late upward movement.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	446	445	451.8	453	454

Trade Recommendation:

SELL NCDEX Mustard August Futures contract near 451 with target T1 at 448, T2 near 447. Put SL at 452.5.

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

Markets	06.07.07	05.07.07	Change	Arrivals (Bags)
Jaipur (C)	2200	2185-2190	+10	
Alwar(C)	2115	2110-2115	0	1000-2000
Delhi(C)	2190	2180	+10	1500
Agra(C)/Katchi Ghani	2325/5300	2325/5300	0	-
Sri Ganganagar (NC)	1910	1860-1865	+45	1500-2000
Kota (NC)	1920	1890-1900	+20	

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Both groundnut and oil traded firm on Thursday despite steady sentiments for edible oil traded across domestic markets. The prices of shelled nuts firmed up to Rs 410 to 572/20 Kg. Rates for groundnut oil at Rajkot firmed up to Rs 782 per 10 Kg. According to trade sources, groundnut sowing in Gujarat is seen in 16-17 lakh hectares, which is nearly 2 lakh less to last year figure. Stiff competition from sowing progress of cotton vis-à-vis groundnut coupled with limited crushing of groundnuts have underpinned prices of nuts and oils as demand for groundnut oil at wholesale and retail end continued holds steady.

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