

## OILSEED DAILY

17<sup>th</sup> July 2007

### SOYBEAN

#### SPOT MARKETS:

The forecast of good rains over MP by midweek would support the growing crop. Soybean plantation in MP is slated to be completed by 20<sup>th</sup> of July. As per market observers, soybean acreage in MP is expected to gain over last year's acreage on supportive weather and bullish fundamentals. Arrivals in MP declined to 20,000 bags from previous weekend's arrivals of 25,000 bags, elsewhere it stood steady at previous levels. Dearth of good quality beans in Maharashtra is likely to keep prices of soybean almost firm in short to medium term as demand from millers is holding steady. Despite bearish cues from BMD, soy oil prices across Mumbai and Indore region continued to extend previous weekends gains and stood firm on Monday. However, soybean prices settled lower across spot markets. Prices of soymeal across ports and domestic markets settled lower on lack of fresh cues.

#### FUTURES MARKET: -

The August contract for soybeans at NCDEX plunged down on profit booking and predominant selling interest. The futures opened at Rs 1656/qlt against previous closing of Rs 1663.5/qlt. Futures closed lower at 1638/qlt.

#### PRICE DRIVERS:

1. Steady domestic soymeal sentiments
2. Resowing likely for soybean in Maharashtra.
3. Bearish palm oil futures at BMD.
4. Dearth of ready available beans in Maharashtra.

#### WEATHER:

Rainfall activity confined to North East states and Sub Himalayan West Bengal region, elsewhere rainfall activity subdued except for west coast.

#### TECHNICALS: -

Prices plunged after gap opening on predominant selling interest. MACD is directionless. The Stochastic has dipped lower from overbought regions and RSI is moving down in neutral region indicating weakness in prices in short term. Volumes increased and open interest declined. Prices are expected to take corrective dips.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	1600	1610	1638	1644	1655

#### Trade Recommendation:

**SELL** NCDEX August Soybean contract near 1634 with target T1 at 1625 and T2 at 1612. Put SL at 1638.

#### SPOT MARKET PRICES: -

Markets	Market	16.07.07	14.07.07	Change	Arrivals (Bags)
Indore	Plant	1640-1650	1655-1665	-15	20,000
Indore	Mandi	1580-1610	-	-	
Maharashtra	Plant	1725	1750	-25	10,000
Maharashtra	Mandi	1675-1690	-	-	
Kota	Plant	1625-1630	1640-1650	-20	3,000-3500
Kota	Mandi	1550	-	-	

## MUSTARD

### SPOT MARKETS:

Clear weather paved way for resuming arrivals across spot markets. Around 25,000 to 30,000 bags arrived on Monday. Arrivals on previous weekends trading were reported to be meager. Prices of mustard seeds across spot markets and domestic exchanges couldn't extend gains made during previous week and settled lower on Monday. Moving in tandem soy oil, prices of mustard expeller oil across Jaipur, Kota and Mumbai region firmed up marginally despite bearish cues from palm oil futures at BMD. Domestically, festive and consumptive demand for edible oils is catching up the pace fast and is likely to prevent any abrupt downside in prices of edible oils. Market participants including both buyers and sellers await fresh cues on lack of fresh fundamentals. Demand for seeds from millers continues to hold steady.

### FUTURES MARKET: -

The NCDEX Mustard seed August traded weak on higher selling pressure at higher levels. The futures opened at Rs 459.3/20 Kg against previous closing level of Rs 459.9/20 Kg. Futures closed lower at Rs 455.8/20 Kg.

### PRICE DRIVERS:

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

### WEATHER: -

Isolated rains outside west Rajasthan expected within a day or two with scattered rains elsewhere in the state.

### TECHNICALS: -

Candlestick shows predominant selling interest with little buying interest at lower levels as indicated by small lower shadow of the candlestick. MACD has made a bearish cross over in positive region. Stochastic is hovering in overbought region whereas RSI has dipped lower indicating slight weakness in prices. Volumes increased and open interest declined. Prices are likely to open weak and trade with bearish bias.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	446	448	455.8	458	460

### Trade Recommendation:

**SELL** NCDEX Mustard August Futures contract near 455 with target T1 at 452, T2 near 450. Put SL at 457.

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

Markets	15.07.07	14.07.07	Change	Arrivals (Bags)
Jaipur (C)	2245	2250	-5	
Alwar(C)	2160	2175	-15	1000-2500
Delhi(C)	2240	2260	-20	1200-1500
Agra(C)/Katchi Ghani	2325/5350	2350	-25	-
Sri Ganganagar (NC)	1915	1940-1945	-30	1500-2000
Kota (NC)	1940	1970	-30	

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET: -

Heavy rains across Saurashtra and other parts of Gujarat have dampened daily arrivals of nuts. Farmers in Gujarat are intending to buy fresh seeds and start off of sowing operation again. The prices of shelled nuts stood steady at Rs 410 to 580/20 Kg. Rates for groundnut oil at Rajkot stood firm at Rs791 per 10 Kg. Healthy competition from Bt. cotton crop in profit is likely to engulf groundnut acreage by nearly 2 lakh hectares in Gujarat in current year (2006-07) at 17.5 lakh ha. In Tamil Nadu groundnut acreage is expecting near 24.6 lakh ha as compared to 32 lakh ha last year while in Andhra Pradesh, acreage seen down at 10.6 lakh ha as compared to 16.5 lakh ha last year is supporting market to remains firm. As per government latest figures, groundnut sowing has been speed up and on July 12th sowing is covered in 9.51 million hectares as compared to 8.74 million hectares last year. In Rajkot market groundnut oil prices traded between Rs. 790-800 per 10 kg during the week.

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