

## OILSEED DAILY

### SOYBEAN

3rd July 2007

#### SPOT MARKETS:

The recent estimates from Centre show a relatively slow progress of groundnut and soybean plantations against that of Cotton, despite monsoon have covered almost all over country expect few parts in Rajasthan. Amidst firmed up soymeal prices in domestic markets, good demand of quality seeds from sowing combined with firmness in BMD strengthened soybeans prices but upward restricted by increased in arrivals by 15-20 thousand bags at 60-65 thousand bags. Domestic soymeal prices remained in higher side tracking underlying firmness in CBOT and supportive demand from poultry and feed industry. Edible oil prices [soy and palm oil] are now undergoing correction phase as higher prices have made a dent of its exports. Bullish soy complex at CBOT is likely to support soybean on account of good sowing progress.

#### FUTURES MARKET: -

The most active August contract for soybeans at NCDEX traded down on strong profit-taking and weakness in soy oil. The futures opened at Rs 1609/qrt against previous closing of Rs 1606/qrt. Futures closed down at 1598.5/qrt, to previous days closing levels.

#### PRICE DRIVERS:

1. Improving domestic soymeal sentiments
2. Sowing demand for soybeans.
3. Firm crude palm oil futures at BMD
4. Dearth of ready available beans.

#### WEATHER:

Monsoon in nearly covered the major soybeans producing belt.

#### TECHNICALS: -

Candlestick shows selling pressure at high level. Prices closed well above the short term EMA's hints for short-term firmness. MACD is rising in positive territory. The Stochastic is rising after bullish crossover while RSI dipped in neutral region. Volumes increased and open Interest declined. Prices are likely to open slightly lower and trade steady to firm later.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	1587	1594	1598.4	1621	1627

#### Trade Recommendation:

**BUY** NCDEX August Soybean contract near 1602 with target T1 at 1609 and T2 at 1617. Put SL at 1596.

#### SPOT MARKET PRICES: -

Markets	Market	02.07.07	30.06.07	Change	Arrivals (Bags)
Indore	Plant	1575-1580	1570-1585	+5	45,000
Indore	Mandi	1490-1520	1510-1530	-20	
Maharashtra	Plant	1690-1700	1690-1700	Nil	8,000-10,000
Maharashtra	Mandi	1650	-	-	
Kota	Plant	1575-1580	1570-1600	+5	8,000
Kota	Mandi	1525-1530	1520-1530	+5	

## MUSTARD

### SPOT MARKETS:

Previous week, mustard complex stood immune to global cues and soared up on good buying support. Mustard complex now seems to be back on track and is likely to move in tandem with soy complex. Prices of seeds across domestic exchanges eased down on weak demand from expellers. The seed prices of mustard seeds across dropped across spot markets on steady demand and lack of fresh fundamentals. The total daily arrivals stood at nearly 45,000 bags a decline of around 20,000 bags over previous weekends arrivals. Prices of expeller oil firmed up marginally in major trading centers. The time lag in import of substitute edible oils, lower production [Rabi 2006-07] coupled with tight stock position [seeds and oil] with traders would continue to underpin mustard complex.

### FUTURES MARKET: -

The NCDEX Mustard seed August settled down on Monday on strong profit-taking and weakness in soybeans futures. The futures opened at Rs 458.55/20 Kg against previous closing level of Rs 458.45/20 Kg. Futures closed down at Rs 455.25/20 Kg.

### PRICE DRIVERS:

1. Firm prices for expeller oil.
2. Dwindling stocks of seeds with traders.
3. Good demand from vanaspati units and processors.
4. Restricted selling from stockists.
5. Monsoon didn't affected routine trading across Rajasthan.

### WEATHER: -

Weather is insignificant for mustard, as harvesting is completed. However daily arrivals are likely to be affected.

### TECHNICALS: -

Candlestick shows selling pressure at higher level. Prices managed to close above to 9/18 days EMA. MACD gather momentum in positive territory. Stochastic show upward movement in overbought region whereas RSI dipped in overbought region. Both the Volumes and open interest declined. Prices are likely to trade downward with possibility of steady to slightly firm opening.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	448	450	455.25	459	461

### Trade Recommendation:

**SELL** NCDEX Mustard August Futures contract near 456 with target T1 at 453, T2 near 452. Put SL at 458.

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

Markets	02.07.07	30.06.07	Change	Arrivals (Bags)
Jaipur (C)	2175	2210-2215	-35	35,000
Alwar(C)	2125	2150	-25	3,000
Delhi(C)	2200	2240	-40	1,500
Agra(C)/Katchi Ghani	2285/2300	2325/5300	-40	5,300
Sri Ganganagar (NC)	1875-1880	1920-1930	-45	2,500
Kota (NC)	-	2000		

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET: -

On account of limited availability of crushing facility for groundnuts and higher prices of groundnut oil, prices of both nuts and oil remained in bullish tone on Monday. The prices of shelled nuts ranged from Rs 410 to 570/20 Kg. Rates for groundnut oil at Rajkot firmed up to Rs 775 per 10 Kg. Spot prices of groundnut oil is continues to trade bullish and reached Rs.750/10kg mark in major trading centers amidst poor availability of stocks and surge in quality groundnut seeds. 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.

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