

## OILSEED DAILY

### SOYBEAN

4<sup>th</sup> July 2007

#### SPOT MARKETS:

Weather concern now equally haunts traders and farming community in India as well in US but for different growth stages of crop [soybean]. However, with good progress and distribution of monsoon rains over major soybean growing regions, traders now expect marginal boost in soybean output and acreage for Kharif 2007 vis-à-vis Kharif 2006. With around 9mm of rains recorded in Kota on Monday and forecast for continued rains over South Rajasthan, soybean sowing is all set for progress well. Despite firm soy futures at CBOT on Monday, the market sentiments across domestic soy complex stood mixed. Bearish cues from BMD prevented soy oil prices to extend previous days firmness eventually easing down prices of soy oil across Indore and Mumbai regions. Soymeal traded slightly firm across ports while holding steady across domestic markets. Prices of soybean settled mixed on Tuesday with slight firmness noticed in MP. Marginal arrival reported across Maharashtra on impact of monsoon rains.

#### FUTURES MARKET: -

The most active August contract for soybeans at NCDEX traded firm on tracking firm soy futures at CBOT. The futures opened at Rs 1604/qrtl against previous closing of Rs 1598.5/qrtl. Futures closed up at 1612.5/qrtl, well above the previous days closing levels.

#### PRICE DRIVERS:

1. Steady to slightly improved domestic soymeal sentiments
2. Sowing demand for soybeans.
3. Weak palm oil at BMD.
4. Dearth of ready available beans.

#### WEATHER:

Monsoon has nearly covered major soybeans producing regions.

#### TECHNICALS: -

Prices stood firm but with slight tentativeness on both sides as indicated by shadows on both the sides of the candlestick. EMA and MACD are seen rising in positive territory indicating medium term bullishness. The Stochastic and RSI headed up further into overbought regions, late corrections possible. Both the Volumes and open Interest increased. Prices are likely to open firm and trade on higher side.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	1598	1602	1612.5	1635	1645

#### Trade Recommendation:

BUY NCDEX August Soybean contract near 1613 with target T1 at 1625 and T2 at 1630. Put SL at 1608.

#### SPOT MARKET PRICES: -

Markets	Market	03.07.07	02.07.07	Change	Arrivals (Bags)
Indore	Plant	1580-1600	1575-1580	+20	35,000
Indore	Mandi	1510-1540	1490-1520	+20	
Maharashtra	Plant	1680	1690-1700	-20	8,000
Maharashtra	Mandi	1640-1650	1650	0	
Kota	Plant	1580-1595	1575-1580	+15	4,000
Kota	Mandi	1525-1530	1525-1530	0	

## MUSTARD

### SPOT MARKETS:

Tracking general weakness in edible oil sentiments, prices of expeller oil softened across Rajasthan while holding steady at Mumbai region. Following it, seed prices across domestic exchange settled lower on Tuesday. However, mustard seed prices across spot markets stood mixed on Tuesday with slight firmness noticed across Jaipur and Delhi regions. The total daily arrivals on Tuesday stood at 40,000 bags a decline of 5,000 bags over previous days arrivals. As per market observers, good monsoon rains over South Rajasthan coupled with consolidation in prices of edible oil across domestic and overseas markets may bring in short term softness in prices of seeds and eventually witnessing a gradual decline in daily arrivals across spot markets.

### FUTURES MARKET: -

The NCDEX Mustard seed August traded slightly firm on good buying support at lower levels. The futures opened at Rs 455/20 Kg against previous closing level of Rs 455.25/20 Kg. Futures closed up marginally at Rs 456.4/20 Kg.

### PRICE DRIVERS:

1. Steady prices for expeller oil.
2. Steady decline in arrivals.
3. Steady demand from vanaspati units and processors.
4. Restricted selling from stockists.
5. Monsoon over South Rajasthan likely to affect daily arrivals.

### WEATHER: -

Weather is insignificant for mustard, except for impact on daily arrivals.

### TECHNICALS: -

Candlestick shows slight firmness in prices with good buying support as indicated by relatively longer lower shadow of the candlestick. Prices managed to close above to 9/18 days EMA. MACD moved up in positive territory. Stochastic has made a bearish cross over in overbought region whereas RSI is heading up towards overbought region. Both the Volumes and open interest increased. Prices are likely to open firm and trade steady with some late correction possible on resistance at higher levels.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	450	453	456.4	462	464

### Trade Recommendation:

**BUY** NCDEX Mustard August Futures contract near 455 with target T1 at 458, T2 near 460. Put SL at 454.

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

Markets	03.07.07	02.07.07	Change	Arrivals (Bags)
Jaipur (C)	2200	2175	+25	
Alwar(C)	2110-2115	2125	-10	3000
Delhi(C)	2220	2200	+20	1500
Agra(C)/Katchi Ghani	2325/5300	2285/5300	+40	-
Sri Ganganagar (NC)	1875	1875-1880	-5	2000
Kota (NC)	-	-	-	

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET: -

Despite limited availability of crushing facility for groundnuts and higher prices of groundnut oil, prices of both nuts and oil settled slightly lower on Tuesday on account of general weakness in prices of edible oils across domestic markets. The prices of shelled nuts ranged from Rs 410 to 568/20 Kg. Rates for groundnut oil at Rajkot firmed up to Rs 772 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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