

## OILSEED DAILY

28<sup>th</sup> July 2007

### SOYBEAN

#### SPOT MARKETS:

Anxiety over monsoon rains over central India is likely to get faded away as normal rains are likely to resume during first half of August on account of a marked low pressure area forming in Bay of Bengal by 4<sup>th</sup> of August. On Friday, arrivals across MP decline further by 5,000 bags to 20,000 bags. Prices of soybean stood firm across plants in MP and Kota, elsewhere it stood steady to weak. Weak soy oil at CBOT prevented soy oil prices to hold firm. On account of outbreak of Bird Flu in Manipur, exports of poultry products from India are likely to remain subdued. Prices of oil meals are unlikely to be affected, however temporary weakness in prices can't be ruled out. Despite firm soymeal and soybean at CBOT, soymeal prices eased down marginally across domestic markets. Until weather situation gets clear by next month, soybean and soymeal would continue to track overseas sentiments at CBOT.

#### FUTURES MARKET: -

The soybeans futures at NCDEX traded bearish on higher selling interest at the back of mixed cues from CBOT. The futures opened at Rs 1634/qtt against previous closing of Rs 1635/qtt. Futures closed down at 1617/qtt.

#### PRICE DRIVERS:

1. Good prospects for soybean acreage and kharif production.
2. Slight recovery in prices of edible oils across spot markets.
3. Dearth of ready available beans in Maharashtra.
4. Restricted selling from stockists.

#### WEATHER:

Forecast for scattered rains over northern MP and isolated across Western India would support soybean crop conditions.

#### TECHNICALS: -

The formation of Morubozu candlestick indicates bearishness in market. MACD is seen weakening in positive region. Stochastic and RSI have dipped further in neutral region indicating weakness in prices to last for short term. Both the Volumes and open interest declined. Prices are likely to open slightly lower and trade with bearish tinge.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	1583	1593	1617	1631	1635

#### Trade Recommendation:

**SELL** NCDEX August Soybean contract near 1621 with target T1 at 1611 and T2 at 1603. Put SL at 1626.

#### SPOT MARKET PRICES: -

Markets	Market	27.07.07	26.07.07	Change	Arrivals (Bags)
Indore	Plant	1625-1640	1625-1630	+10	20,000
Indore	Mandi	1540-1590	1560-1590	0	
Maharashtra	Plant	1720	1720	0	8,000
Maharashtra	Mandi	1670-1700	1660-1690	+10	
Kota	Plant	1610-1620	1600-1610	+10	5,000
Kota	Mandi	1560-1575	1570-1580	-5	

## MUSTARD

### SPOT MARKETS:

Around 25,000 to 30,000 bags arrived across spot markets on Friday, a marginal hike of 5,000 bags over previous day's arrivals of 25,000 bags. Except for a consecutive decline of 500 bags noticed in Delhi region, arrivals stood steady at other markets. Across domestic exchanges, the prices of seeds settled lower on predominant selling pressure. Prices of condition seeds stood slightly firm whereas prices for non-condition seeds eased down. Prices of mustard expeller oil recovered across spot markets in Mumbai, Kota and Jaipur regions. The market expects slight correction in prices of seeds and oils in near term before renewing fresh buying interest at lower levels. The dearth of seeds across North India regions would continue to underpin prices of seeds and oil for medium term.

### FUTURES MARKET: -

The NCDEX Mustard seed August traded sideways with predominant selling interest. The futures opened at Rs 457/20 Kg against previous closing level of Rs 456.7/20 Kg. Futures closed up at Rs 453.55/20 Kg.

### PRICE DRIVERS:

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

### WEATHER: -

Scattered rains likely over the region [Rajasthan].

### TECHNICALS: -

The formation of Marubozu candlestick indicates bearishness. MACD is hovering in positive region. The Stochastic is moving up following a bullish crossover whereas RSI has dipped sharply indicating weakness in prices for short term. Volumes declined and open interest increased. Prices are likely to open slightly lower and trade steady thereafter.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	447	449	453.55	457	458

### Trade Recommendation:

**SELL** NCDEX Mustard August Futures contract near 454 with target T1 at 451, T2 near 450. Put SL at 456.

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

Markets	27.07.07	26.07.07	Change	Arrivals (Bags)
Jaipur (C)	2235-2240	2230-2235	+5	
Alwar(C)	2135-2140	Nil	Nil	1500-2000
Delhi(C)	2250	2220-2225	+25	500
Agra(C)/Katchi Ghani	2350/5300	2325/5300	+25	
Sri Ganganagar (NC)	1905-1910	1920-1925	-15	1500-2000
Kota (NC)	1930	1930-1940	-10	-

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET: -

The groundnut production estimate is slated at 49.1 lakh MT from previous years final estimate of 79.9 lakh MT. Farmers' shifting to cotton crops in Gujarat and Andhra Pradesh has created a dent on groundnut acreage and estimated production for current Kharif season. With state government of Gujarat intending to import more palm oils into the state to contain shooting prices of groundnut oil, the expected softening in prices has been witnessed well during the first half of the week. On account of subdued rains over Gujarat underpinned prices of groundnut and groundnut oil. The prices of shelled nuts stood surged up to Rs 410 to 574/20 Kg. Rates for groundnut oil at Rajkot firmed up to Rs 786 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.

### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.