

OILSEED DAILY

SOYBEAN

5th July 2007

SPOT MARKETS:

"Oilseed prices are expected to rise to \$311.7 a metric ton by 2008-09 due to increased demand for biodiesel production and its need to compete with corn for arable land, the Organization for Economic Cooperation and Development and Food and Agriculture Organization of the United Nations said Wednesday in their Agricultural Outlook for 2007-16". Tracking bearish cues from CBOT and BMD, domestic soy oil traded weak across Mumbai region on Wednesday while holding firm in Indore region. Soybean prices settled lower, except for slight firmness noticed in Indore spot markets. Soymeal traded steady across ports and domestic markets. On weather front, the monsoon has covered the entire country on Wednesday. Until sowing of soybean gets completed by 20th of July, apprehension over rainfall distribution & intended soybean acreage would be a matter of speculation across trading circles. Sowing of soybean has been reported to be progressing fast across MP and near completion in Maharashtra regions.

FUTURES MARKET: -

The most active August contract for soybeans at NCDEX traded weak on tracking weak soy futures at CBOT. The futures opened at Rs 1606.5/mtl against previous closing of Rs 1612.5/mtl. Futures closed lower at 1603/mtl.

PRICE DRIVERS:

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

WEATHER:

Monsoon has nearly covered major soybeans producing regions.

TECHNICALS: -

Candlestick shows bearishness, but indicates good buying support at lower levels as reflected by relatively longer lower shadow of the candlestick. EMA and MACD are seen rising in positive territory indicating medium term bullishness. The Stochastic is rising in overbought region and RSI dipped lower indicating slight weakness in prices in short term. Both the Volumes and open Interest declined. Prices are likely to open lower but trade steady during later part of trading session.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	1585	1591	1603	1612	1616

Trade Recommendation:

BUY NCDEX August Soybean contract near 1600 with target T1 at 1605 and T2 at 1610. Put SL at 1595.

SPOT MARKET PRICES: -

Markets	Market	04.07.07	03.07.07	Change	Arrivals (Bags)
Indore	Plant	1575-1590	1580-1600	-10	30,000
Indore	Mandi	1550	1510-1540	+10	
Maharashtra	Plant	1670	1680	-10	8,000
Maharashtra	Mandi	1600-1610	1640-1650	-40	
Kota	Plant	1570-1575	1580-1595	-20	3,000
Kota	Mandi	1520	1525-1530	-10	

MUSTARD

SPOT MARKETS:

Good rains over Rajasthan seem to have no affect on routine trading as well on daily arrivals. Arrivals on Wednesday stood at 40,000 to 45,000 bags an increase of around 5,000 bags over previous day. Moving in tandem with soy complex, mustard seed prices settled lower across domestic exchanges. Prices of mustard seeds across spot markets stood mixed on second consecutive day with slight firmness noticed in Ganganagar region, elsewhere it stood weak to range bound. Corrections noticed in edible oils across domestic and overseas markets didn't affected prices of expeller oil across spot markets. Prices of expeller oil firmed up across Mumbai and Rajasthan. Corrections for soy and palm oil across CBOT and BMD in near term would cap any upside movement.

FUTURES MARKET: -

The NCDEX Mustard seed August traded weak on selling pressure and profit booking at higher levels. The futures opened at Rs 455.5/20 Kg against previous closing level of Rs 456.4/20 Kg. Futures closed lower at Rs 450.55/20 Kg.

PRICE DRIVERS:

1. Steady 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 daily arrivals.

TECHNICALS: -

Candlestick shows bearishness in prices. Prices close between 9/18 days EMA. Stochastic and RSI have dipped lower indicating weakness in prices in short term though EMA and MACD pattern indicated firmness in medium term. Volumes increased and open interest declined. Prices are likely to open lower and trade sideways.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	435	439	450.55	454	458

Trade Recommendation:

SELL NCDEX Mustard August Futures contract near 450 with target T1 at 446, T2 near 442. Put SL at 452.

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

Markets	04.07.07	03.07.07	Change	Arrivals (Bags)
Jaipur (C)	2200	2200	0	
Alwar(C)	2100	2110-2115	-15	3000
Delhi(C)	2210-2215	2220	-5	1500
Agra(C)/Katchi Ghani	2320/5300	2325/5300	-5	-
Sri Ganganagar (NC)	1890	1875	+15	1500-2000
Kota (NC)	1910	-	-	

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Both groundnut and oil traded steady on Wednesday despite general weakness in edible oil sentiments 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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