

OILSEED DAILY

26th July 2007

SOYBEAN

SPOT MARKETS:

Soybean crop condition across Central India region is reported to be good. The forecast for subdued rainfall activity coupled with scattered rainfalls at few places is likely to enhance germination of soybean seedlings thereby confirming better soybean production for Kharif 2007. However, any further delay in rains during first week of August may offset crop conditions triggering soybean prices to head north. On Wednesday, sentiments for soymeal and soy oil across spot markets remained subdued. Prices of soybean firmed up across plants whereas it stood mixed across Mandi. Arrivals improved in MP by 10,000 bags to 30,000 bags; elsewhere it stood at previous days levels. Domestic sentiments for soymeal and soybean now look for global cues to gain fresh insights.

FUTURES MARKET: -

The soybeans futures at NCDEX traded bearish on account of mixed global cues and predominant selling interest. The futures opened at Rs 1640/qttl against previous closing of Rs 1638.5/qttl. Futures closed down at 1631.5/qttl.

PRICE DRIVERS:

1. Good prospects for soybean acreage and kharif production.
2. Consolidation in prices of edible oils across spot markets.
3. Dearth of ready available beans in Maharashtra.
4. Restricted selling from stockists.
5. Steady to weak demand for soymeal.

WEATHER:

Subdued rainfall over Central India and isolated across Maharashtra.

TECHNICALS: -

Candlestick shows bearishness in prices with slight selling pressure at higher levels as indicated by an upper shadow of the candlestick. MACD is seen weakening in positive region. Stochastic has made a bearish crossover in neutral region whereas RSI has dipped further in neutral region indicating weakness in prices in near term. Volumes declined and open interest increased marginally. Prices are likely to open slightly lower and trade with bearish bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	1612	1616	1631.5	1643	1648

Trade Recommendation:

SELL NCDEX August Soybean contract near 1632 with target T1 at 1624 and T2 at 1620. Put SL at 1638.

SPOT MARKET PRICES: -

Markets	Market	25.07.07	24.07.07	Change	Arrivals (Bags)
Indore	Plant	1630-1650	1630	+20	30,000
Indore	Mandi	1550-1590	1550-1600	-10	
Maharashtra	Plant	1710-1715	1710	+5	8,000
Maharashtra	Mandi	1670-1700	1675-1700	0	
Kota	Plant	1600-1610	1600	+10	5,000
Kota	Mandi	1550-1570	1550-1575	-5	

MUSTARD

SPOT MARKETS:

On Wednesday, the daily arrivals stood at previous days levels of 20,000 bags. Improvement of 1500 bags was noticed in Ganganagar region, elsewhere it stood almost steady. At the back of mixed global cues, mustard seed prices across domestic exchanges stood marginally up. Spot prices of seeds were quoted at previous day's levels on lack of fresh demand from millers and continued consolidation in prices of edible oils across domestic oil markets. Tracking weak cues from soy oil, expeller oil traded weak across Mumbai, Kota and Jaipur regions. Temporary weakness in prices of seeds is likely to be short lived as prices for expeller oil are likely to improve on upcoming festive demand at the back of dwindling seed stocks with traders and millers.

FUTURES MARKET: -

The NCDEX Mustard seed August traded sideways with slight buying support at current price levels. The futures opened at Rs 452.5/20 Kg against previous closing level of Rs 453.2/20 Kg. Futures closed at Rs 453.85/20 Kg.

PRICE DRIVERS:

1. Steady to weak prices for expeller oil across Rajasthan.
2. Marginal 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: -

Candlestick shows slight firmness in prices with tentativeness on both sides as indicated by both lower and upper shadow. MACD is weakening in positive region. The Stochastic headed down in neutral region whereas RSI managed to recover lately indicating slight recovery in prices. Volumes increased and open interest declined. Prices are likely to open slightly firm on good buying support at lower levels and trade steady thereafter.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	450	451	453.85	457	458

Trade Recommendation:

BUY NCDEX Mustard August Futures contract near 453 with target T1 at 455, T2 near 456. Put SL at 452.

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

Markets	25.07.07	24.07.07	Change	Arrivals (Bags)
Jaipur (C)	2220-2225	2225	0	
Alwar(C)	2125	2120-2125	0	1000-1500
Delhi(C)	2200	2200	0	1,500
Agra(C)/Katchi Ghani	2325/5325	2300/5300	+25	
Sri Ganganagar (NC)	1880-1890	1890	0	1500-2000
Kota (NC)	1910-1925	1920-1925	0	-

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

As per the fourth advance estimates for 2006-07, the total oilseed production for 2006-07 is estimated at 238.8 lakh MT from previous final estimate [2005-06] of 279.8 lakh MT. 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. The prices of shelled nuts stood steady at Rs 410 to 563/20 Kg. Rates for groundnut oil at Rajkot stood steady at Rs 762 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.

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