

OILSEED DAILY

SOYBEAN

1st August 2007

SPOT MARKETS:

Culling operations in Manipur is on the verge of completion. The Bird Flu has taken grip over Myanmar, Burma, Thailand, North East India and adjoining regions. Sri Lanka UAE, Bhutan and Pakistan have put a halt on imports of poultry products from Flu infected regions. Myanmar happens to be one of the major importers of oil meal from India. Not only had the prices of oil meals remained subdued prices of feed grains like maize too eased down on the very threat. Soybean crop in India and US are in early vegetative and pod filling stages respectively. Warm weather supports pod filling while sporadic rains and good doses of fertilizers supports vegetative growth. Monsoon rains are likely over Central India regions by weekend as weather bureau confirms formation of low pressure areas in Bay of Bengal and North West India. Soymeal traded weak across domestic markets and at ports. Soybean arrivals declined by 5,000 bags in MP to 20,000 bags, elsewhere arrivals stood at previous days levels. Prices of soybean stood firm across spot markets however it stood range bound at plants in MP and Kota. Demand for beans is slightly firm but expected to consolidate slightly.

FUTURES MARKET: -

The soybeans futures at NCDEX traded indecisive on higher side. The futures opened at Rs 1592/ctl against previous closing of Rs 1588/ctl. Futures closed at 1593/ctl.

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 MP and isolated across Western India would support soybean crop conditions.

TECHNICALS: -

Candlestick shows indecisiveness with persistent selling pressure at higher levels as indicated by upper shadow of the candlesticks. MACD is on the verge of moving down below the centerline while EMA pattern indicate weakness in prices for medium term. The Stochastic is moving down in oversold regions while RSI indicates slight recovery at lower levels. Both the Volumes and open interest declined. Prices are likely to trade on lower side but would continue to find good support at lower levels.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	1572	1578	1593	1608	1615

Trade Recommendation:

SELL NCDEX August Soybean contract near 1597 with target T1 at 1590 and T2 at 1583. Put SL at 1603.

SPOT MARKET PRICES: -

Markets	Market	31.07.07	30.07.07	Change	Arrivals (Bags)
Indore	Plant	1590-1600	1600	0	20,000
Indore	Mandi	1540-1560	1530-1550	+10	
Maharashtra	Plant	1660	1650	+10	8,000-10,000
Maharashtra	Mandi	1600-1610	1600	+10	
Kota	Plant	1580	1580	0	5,000
Kota	Mandi	1535-1540	1530	+10	

MUSTARD

SPOT MARKETS:

Spot prices of mustard seeds stood slightly firm in Delhi and Ganganagar region, elsewhere it softened marginally. The demand for seeds holds slightly firm, however prices are consolidating on fear of subdued demand for rapeseed meal and steady sentiments for soy complex. The daily arrivals on Tuesday declined to 30,000 bags from previous days 40,000 bags. Ganganagar and Alwar witnessed a decline of 1000 and 300 bags over previous day's arrivals. The demand for local DOC and rapeseed expeller oil remained steady but prices softened marginally on subdued demand for oil-meals. Prices of mustard expeller oil stood weak across Mumbai region while staying firm across spot markets in Rajasthan. Mustard seed prices across domestic exchange settled slightly firm on global cues. The market sentiments are likely to witness further correction to witness fresh buying interest at lower levels.

FUTURES MARKET: -

The NCDEX Mustard seed August traded sideways with bearish tinge. The futures opened at Rs 454.2/20 Kg against previous closing level of Rs 453.15/20 Kg. Futures closed at Rs 452.75/20 Kg.

PRICE DRIVERS:

1. Steady prices for expeller oil across Rajasthan.
2. Decline in arrivals across spot markets
3. Steady demand from vanaspati units and processors.
4. Restricted selling from stockists.
5. Fear of Bird Flu on demand of rapeseed meal.

WEATHER: -

Forecast of scattered rain over the region [Rajasthan] is unlikely to affect daily arrivals and trading sentiments.

TECHNICALS: -

The candlestick shows bearishness in prices with slight buying support at lower levels as indicated by lower shadow of the candlesticks. The MACD pattern indicates decline in positive momentum. The Stochastic has moved down following a bearish crossover in neutral region whereas RSI has dipped further indicating weakness in prices for short term. Volumes declined and open interest increased. Prices are likely to open slightly firm but would trade with bearish undertone during later session.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	444	446	452.75	456	457

Trade Recommendation:

SELL NCDEX Mustard August Futures contract near 453.5 with target T1 at 452, T2 near 449. Put SL at 455.

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

Markets	31.07.07	30.07.07	Change	Arrivals (Bags)
Jaipur (C)	2235	2240	-5	
Alwar(C)	2125-2130	2130-2135	-5	1000-1200
Delhi(C)	2230-2235	2225	+10	1500-2000
Agra(C)/Katchi Ghani	2300/5300	2350/5350	-50	
Sri Ganganagar (NC)	1910	1890-1900	+10	1000
Kota (NC)	1920	1920-1925	-5	1500-2000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

The agriculture minister has recently announced the groundnut sowing is completed in Andhra Pradesh. In Gujarat alone groundnut sowing is completed in 1.6 million hectares as compared to 1.5 million hectares last year whereas in South India (mainly Tamil Nadu, Andhra Pradesh and Karnataka) sowing is completed in 2 million hectares. Market also generated bullish support from stalled monsoon progress that has raised the fears of repetition of last year drought and high temperature condition. The good demand of HPS groundnut seeds from Southeast countries added bullish support on depleting stocks from crushing. As per government latest figures, despite slow monsoon progress groundnut sowing is rapidly completed in 3.9 million hectares as on July 27th against 3.35 million hectares last week and 3.46 million hectares last year. In Rajkot market groundnut oil prices traded between Rs. 780-781 per 10 kg during the week. The prices of shelled nuts stood steady at Rs 410 to 568/20 Kg. Rates for groundnut oil at Rajkot too stood steady at Rs 782 per 10 Kg. The forecast of good rains over Gujarat and Western regions is good indicator for improving present crop conditions in Saurashtra regions.

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