

OILSEED DAILY

19th July 2007

SOYBEAN

SPOT MARKETS:

Although total soybeans arrivals declined only by 5,000 bags at 32,000-35,000 bags but the poor off take sparked weakness across domestic markets. Arrivals in MP declined to 20,000 bags from previous 25,000 bags. Arrivals in Kota remained unchanged at 4,000 bags. Market borrowed the bearishness from weak CBOT soy futures despite US soybeans crop progress report remain bullish. In weekly crop outlook, 62% of soybeans are in good condition as compared to 65% last week. The weak sentiments of soy meals demand at ports and domestically favour the bears. However future trend in market is likely to be decided on interplay of volumes and prices of palm and soy oil imports ahead of festive demand.

FUTURES MARKET: -

The August contract for soybeans at NCDEX continuous to recovers on follow-through buying interest amidst bullish BMD CPO futures. The futures opened weak at Rs 1632/ctl against previous closing of Rs 1638/ctl. Futures closed marginally up at 1640/ctl.

PRICE DRIVERS:

1. Steady to slightly weak domestic soy meal sentiments
2. Resowing likely for soybean in Maharashtra.
3. Bearish soy futures at CBOT.
4. Dearth of ready available beans in Maharashtra.
5. Restricted selling from stockists.

WEATHER:

Rainfall activity confined to North East states and Sub Himalayan West Bengal region, elsewhere rainfall activity subdued except for west coast.

TECHNICALS: -

Soybeans charts show the buying support with tentativeness both at higher and lower level as shown by upper and lower shadow. MACD is attempted to make bearish crossover in positive territory. Stochastic and RSI pattern indicate strengthening bearishness. Volumes declined and open interest increased. Prices are likely to open steady to slightly firm and trade bearish thereafter. Selling pressure at higher levels is imminent.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	1613	1618	1640	1656	1664

Trade Recommendation:

SELL NCDEX August Soybean contract near 1635 with target T1 at 1627 and T2 at 1625. Put SL at 1638.

SPOT MARKET PRICES: -

Markets	Market	18.07.07	17.07.07	Change	Arrivals (Bags)
Indore	Plant	1600-1620	1615-1625	-15	20,000
Indore	Mandi	1550-1590	1560-1600	-10	
Maharashtra	Plant	1700	1700	-	8,000-10,000
Maharashtra	Mandi	1650-1675	1650-1675	-	
Kota	Plant	1580-1585	1590-1600	-10	4,000
Kota	Mandi	1530-1550	1550	-20	

MUSTARD

SPOT MARKETS:

Continuous supportive weather conditions across Rajasthan and Haryana welcomed mustard seeds arrivals across spot markets. The daily seeds arrivals in Delhi declined by nearly 800-1,000 bags strengthened seeds prices there. The total arrivals across spot markets increased to 30,000-35,000 bags as compared to previous 15,000 to 20,000 bags. The weak demand of mustard oil from Northeast part of country prevented expellers from aggressive mustard seeds buying at current higher prices. Prices of mustard seeds remained mixed across spot markets. Sentiments for rapeseed meal too followed the suit and stood steady. Mustard complex awaits fresh cues domestically.

FUTURES MARKET: -

The NCDEX Mustard seed August traded on slightly lower side amidst tentativeness on both the sides. The futures opened at Rs 456.7/20 Kg against previous closing level of Rs 456.15/20 Kg. Futures closed at Rs 455.1/20 Kg.

PRICE DRIVERS:

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

WEATHER: -

Isolated rainfall is expecting within a day or two with scattered rains elsewhere in Rajasthan.

TECHNICALS: -

Candlestick shows weakness in the market. EMA and MACD hints for mild weakness. Stochastic and RSI also remained bearish in neutral region. Volumes declined and open interest increased. Prices are likely to open weak and trade with bearish bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	446	448	455.1	458	460

Trade Recommendation:

SELL NCDEX Mustard August Futures contract near 455 with target T1 at 452, T2 near 450. Put SL at 457.

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

Markets	18.07.07	17.07.07	Change	Arrivals (Bags)
Jaipur (C)	2240	2245	-5	30,000
Alwar(C)	2140	2150-2160	-10	3,000
Delhi(C)	2220-2225	2215-2220	+5	1,000-1,200
Agra(C)/Katchi Ghani	2325-5325	2325/5300		
Sri Ganganagar (NC)	1925-1930	1915	+10	1,500
Kota (NC)	-	1940	-	-

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Heavy rains across Saurashtra and other parts of Gujarat have dampened daily arrivals of nuts. Farmers in Gujarat are intending to buy fresh seeds and start off of sowing operation again. The prices of shelled nuts stood steady at Rs 410 to 578/20 Kg. Rates for groundnut oil at Rajkot stood firm at Rs790 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 remain 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. In Rajkot market groundnut oil prices traded between Rs. 790-800 per 10 kg during the week.

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