

## OILSEED DAILY

### SOYBEAN

14<sup>th</sup> July 2007

#### SPOT MARKETS:

Heavy rains during the week have damaged germinating soybean seedlings across few pockets in soybean growing regions and farmers are waiting for clear weather to start resowing operation again. Domestically, prices of soybean, soymeal and soy oil rose in consensus with firm monthly S&D report by USDA and soared up to touch the fortnight's highest level on Friday. Arrivals in Maharashtra improved by 5,000 bags to 15,000 bags on Friday, elsewhere it stood steady at previous day's levels. Bullish USDA estimates for soybean production coupled with hot and dry weather forecast for Midwest by end of July aided the bullishness in soy complex thereby adding risk premiums to the prices. Traders view that soybean prices need to be still higher in order to boost up soybean planting in US and South America to compensate for reduced acreage and potential decline in US soybean production. However slightly weak data on weekly export sales report for US soybean and soymeal is likely to cap the gains in near term.

#### FUTURES MARKET: -

The most active August contract for soybeans at NCDEX traded on higher side with slight resistance at higher levels. The futures opened at Rs 1670/qrtl against previous closing of Rs 1667.5/qrtl. Futures closed up at 1674.5/qrtl.

#### PRICE DRIVERS:

1. Firm domestic soymeal sentiments
2. Resowing likely for soybean in Maharashtra.
3. Firm soy futures at CBOT.
4. Firm palm oil at BMD.
5. Dearth of ready available beans.

#### WEATHER:

Monsoon has nearly covered major soybeans producing regions. However, heavy rains and flood like conditions have dampened arrivals and damaged late sown soybean s in parts of Maharashtra.

#### TECHNICALS: -

Candlestick shows firmness in prices with selling pressure at higher levels as indicated by upper shadow of the candlestick. MACD is moving up in positive region. Both the Stochastic and RSI are heading up in overbought region indicating firmness in prices with slight correction likely. Volumes declined and open interest increased. Prices are likely to trade range bound with slight resistance on higher side.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	1662	1667	1674.5	1683	1686

#### Trade Recommendation:

**BUY** NCDEX August Soybean contract near 1675 with target T1 at 1678 and T2 at 1680. Put SL at 1672.

#### SPOT MARKET PRICES: -

Markets	Market	13.07.07	12.07.07	Change	Arrivals (Bags)
Indore	Plant	1640-1650	1620-1630	+20	35,000-40,000
Indore	Mandi	1560-1580	1530-1570	+10	
Maharashtra	Plant	1750	1720	+30	15,000
Maharashtra	Mandi	1650-1670	1650	+20	
Kota	Plant	1640-1650	1610-1620	+30	3,000-3500
Kota	Mandi	1580-1600	1560	+40	

## MUSTARD

### SPOT MARKETS:

Supplies of seeds have fallen short of demand not only on account of lean season and dwindling stocks but on impending rains that have disrupted daily arrivals. Demand from stockists and millers still hold good. Negligible arrivals reported on Friday on good rainfall over Rajasthan. For first fortnight of this month, prices of seeds [condition] and expeller oil [Jaipur] have soared up to its highest levels on Friday on tracking bullish global cues and good buying support across spot markets. Market observers believe that present prices for mustard complex are ruling high and needs consolidation in near term for revoking fresh buying interest. On the same lines, prices of mustard seeds across domestic exchanges witnessed slight corrections on some selling pressure at higher levels and some consolidation expected in prices of edible oils.

### FUTURES MARKET: -

The NCDEX Mustard seed August traded bearish on profit booking at higher levels. The futures opened at Rs 461.5/20 Kg against previous closing level of Rs 461.1/20 Kg. Futures closed at Rs 460.05/20 Kg.

### PRICE DRIVERS:

1. 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: -

Good rains over East Rajasthan with Isolated rains expected over West Rajasthan continue to dampen arrival pressure across spot markets.

### TECHNICALS: -

Candlestick shows predominant selling pressure at higher levels as indicated by relatively long upper shadow of the candlestick. MACD is on the verge of making bullish crossover in positive region. Stochastic is heading up in neutral region whereas RSI has dipped slightly indicating slight weakness in prices. Volumes have declined and open interest increased. Prices are likely to open steady with slight resistance at higher levels.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	451	455	460.05	465	467

### Trade Recommendation:

**BUY** NCDEX Mustard August Futures contract near 459 with target T1 at 461, T2 near 463. Put SL at 457.

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

Markets	13.07.07	12.07.07	Change	Arrivals (Bags)
Jaipur (C)	2250	2230	+20	
Alwar(C)	2160	2140	+20	1000-2000
Delhi(C)	2280	2250	+30	1500
Agra(C)/Katchi Ghani	2350/5300	2300/5200	+50	-
Sri Ganganagar (NC)	1930-1935	1925-1930	+05	1500-2000
Kota (NC)	1950-1965	1950-1960	+05	

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 loss of groundnut crops on account of rains has not yet been quantified but traders estimate it of good magnitude. The prices of shelled nuts firmed up to Rs 410 to 577/20 Kg. Rates for groundnut oil at Rajkot stood firm at Rs795 per 10 Kg. As per the available data, total areas covered under Kharif sowing in Gujarat was 4.95 lakh hectares in Rajkot, 5.40 lakh hectares in Junaghad, 2.95 lakh hectares in Surendranagar. Stiff competition from sowing progress of cotton vis-à-vis groundnut coupled with limited crushing of groundnuts have underpinned prices of nuts and oils as demand for groundnut oil at wholesale and retail end continued holds steady.

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