

## OILSEED DAILY

27<sup>th</sup> July 2007

### SOYBEAN

#### SPOT MARKETS:

Soybean crop in US and India are in pod formation and germination stages respectively. Weather concerns continue to haunt traders and farmers in India and US alike. The recent forecast of slight rains over North MP is likely to favor soybean crop conditions. However, market observers believe that a slight offset in normal course of rains during the crucial period of crop germination and vegetative growth could witness price hike across spot markets. Despite weak cues from CBOT, soymeal continued to trade steady across domestic market and at ports except for slight softening of prices noticed across Indore markets. The daily arrivals across MP declined by 5,000 bags to 25,000 bags. Prices of soybean stood mixed on Thursday with slight firmness noticed across Maharashtra and Kota spot markets. Renewed buying interest for edible oils at lower levels may support prices of soybean in short to medium term.

#### FUTURES MARKET: -

The soybeans futures at NCDEX traded slightly firm on predominant buying interest. The futures opened at Rs 1631/qrtl against previous closing of Rs 1632/qrtl. Futures closed up marginally at 1635/qrtl.

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

#### TECHNICALS: -

Candlestick shows slight firmness in prices. MACD is seen weakening in positive region. Stochastic has dipped lower following a bearish crossover in neutral region whereas RSI has managed to recover marginally in neutral region. Volumes increased and open interest declined. Prices are likely to open slightly firm on good buying support at lower levels.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	1624	1628	1635	1652	1656

#### Trade Recommendation:

**BUY** NCDEX August Soybean contract near 1636 with target T1 at 1641 and T2 at 1646. Put SL at 1632.

#### SPOT MARKET PRICES: -

Markets	Market	26.07.07	25.07.07	Change	Arrivals (Bags)
Indore	Plant	1625-1630	1630-1650	-20	25,000
Indore	Mandi	1560-1590	1550-1590	0	
Maharashtra	Plant	1720	1710-1715	+5	8,000
Maharashtra	Mandi	1660-1690	1670-1700	-10	
Kota	Plant	1600-1610	1600-1610	0	5,000
Kota	Mandi	1570-1580	1550-1570	+10	

## MUSTARD

### SPOT MARKETS:

Around 20,000 to 25,000 bags arrived across spot markets, a marginal hike of 5,000 bags over previous day's arrivals. Except for a decline of 500 bags noticed in Delhi region, arrivals stood steady at other markets. However, no arrivals were reported across Alwar, as the market remained closed on account of religious procession. Mustard seed prices across spot markets recovered after witnessing subdued demand for first half of the week. Across domestic exchanges the prices of seeds settled mixed. Expeller oil traded slightly firm in Mumbai region while it continued to trade subdued across Jaipur and Kota markets. Prices of seeds and oil are expected to surge up as stockists continue to offload stocks in limited quantity in anticipation of good demand ahead in coming months.

### FUTURES MARKET: -

The NCDEX Mustard seed August traded firm on good buying support at lower levels. The futures opened at Rs 453/20 Kg against previous closing level of Rs 452.9/20 Kg. Futures closed up at Rs 456.7/20 Kg.

### PRICE DRIVERS:

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

The formation of Marubozu candlestick indicates firmness in prices. MACD is hovering in positive region. The Stochastic is attempting to make a bullish crossover in neutral region whereas RSI headed up indicating firmness in prices for short term. Volumes declined and open interest increased. 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	452	454	456.7	460	462

### Trade Recommendation:

**BUY** NCDEX Mustard August Futures contract near 456 with target T1 at 458, T2 near 459. Put SL at 455.

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

Markets	26.07.07	25.07.07	Change	Arrivals (Bags)
Jaipur (C)	2230-2235	2220-2225	+10	
Alwar(C)	Nil	2125	Nil	1000-1500
Delhi(C)	2220-2225	2200	+25	1,000
Agra(C)/Katchi Ghani	2325/5300	2325/5325	0	
Sri Ganganagar (NC)	1920-1925	1880-1890	+35	1500-2000
Kota (NC)	1930-1940	1910-1925	+15	-

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET: -

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. With state government of Gujarat intending to import more palm oils into the state to contain shooting prices of groundnut oil, the expected softening in prices has been witnessed well during the first half of the week. The prices of shelled nuts stood steady at Rs 410 to 566/20 Kg. Rates for groundnut oil at Rajkot stood slightly firm at Rs 772-773 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.

### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.