

OILSEED DAILY

25th July 2007

SOYBEAN

SPOT MARKETS:

Weak cues from CBOT, selling pressure for soy oil across spot markets on account of duty reduction on import of edible oils, slight consolidating in prices of soymeal across ports and domestic markets coupled with bright prospects of soybean production and acreage for Kharif 2007 dragged down the prices of soybean and soy oil across spot markets. Arrivals across spot markets stood steady at previous day's levels. Softening prices of edible oils across domestic markets could witness renewed buying interest at lower price levels unless overseas suppliers hike up the cost of exporting edible oils to Indian importers. However soybean prices are likely to rule steady to slightly in medium term on good demand from millers and scarcity of beans at traders end.

FUTURES MARKET: -

The soybeans futures at NCDEX traded bearish on account of weak cues from CBOT and selling pressure at higher levels. The futures opened at Rs 1645/mtl against previous closing of Rs 1653/mtl. Futures closed marginally up at 1636.5/mtl.

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.

WEATHER:

Subdued rainfall over Central India and isolated across Maharashtra.

TECHNICALS: -

Candlestick shows bearishness in prices with slight buying support at lower levels as indicated by a lower shadow of the candlestick. MACD is moving down in positive region. Stochastic is hovering in neutral region whereas RSI has dipped lower in neutral region indicating slight weakness in prices in near term. Volumes increased and open interest declined. Prices are likely to open slightly firm but would trade with bearish inclination.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	1623	1626	1636.5	1646	1652

Trade Recommendation:

SELL NCDEX August Soybean contract near 1638 with target T1 at 1632 and T2 at 1628. Put SL at 1642.

SPOT MARKET PRICES: -

Markets	Market	24.07.07	23.07.07	Change	Arrivals (Bags)
Indore	Plant	1630	1650	-20	20,000
Indore	Mandi	1550-1600	1570-1600	0	
Maharashtra	Plant	1710	1740	-30	8,000
Maharashtra	Mandi	1675-1700	1700-1710	-10	
Kota	Plant	1600	1600-1610	-10	5,000
Kota	Mandi	1550-1575	1560-1580	-5	

MUSTARD

SPOT MARKETS:

On Tuesday, the daily arrivals declined to 20,000 bags from previous weekend arrivals of 25,000 bags. Marginal arrivals were reported on Monday on lack luster trade activity. Arrivals in Kota declined by 1500 bags to mere 500 bags, similarly arrivals across Alwar region declined by 1,000 bags to 1500 bags, elsewhere it stood steady at previous day's levels. The arrivals are likely to shrink further if prices of seeds and expeller oil continue to consolidate at current price levels. Mustard expeller oil prices settled lower across Jaipur and Mumbai region on account of duty reduction on import of edible oils. Eventually seed prices across spot markets and across domestic exchanges settled lower. Market observers expect that steep fall in prices of seeds and edible oils is likely to witness renewed buying interest at lower levels as demand from millers and expeller oil units continue to hold firm.

FUTURES MARKET: -

The NCDEX Mustard seed August traded on lower side with slight indecisiveness over market direction. The futures opened at Rs 453.1/20 Kg against previous closing level of Rs 454.45/20 Kg. Futures closed at Rs 453/20 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: -

Isolated rains likely over the region [Rajasthan].

TECHNICALS: -

Candlestick has formed a Doji pattern indicating indecisiveness over market direction. MACD is weakening in positive region. Both the Stochastic and RSI are moving down in neutral region indicating short term weakness 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	446	448	453	457	459

Trade Recommendation:

SELL NCDEX Mustard August Futures contract near 454 with target T1 at 452, T2 near 450. Put SL at 456.

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

Markets	24.07.07	23.07.07	Change	Arrivals (Bags)
Jaipur (C)	2225	2240	-15	
Alwar(C)	2120-2125	2140	-15	1000-1500
Delhi(C)	2200	2230	-30	1,500
Agra(C)/Katchi Ghani	2300/5300	2350/5300	-50	
Sri Ganganagar (NC)	1890	1915	-25	500
Kota (NC)	1920-1925	1950	-25	-

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 566/20 Kg. Rates for groundnut oil at Rajkot stood lower to 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.

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.