

OILSEED DAILY

6th July 2007

SOYBEAN

SPOT MARKETS:

As per Ministry of Agriculture, oilseeds acreage till June 20 was 4.52 lakh hectares compared 7.82 lakh hectares during the corresponding period last year. For the same time period, soybean sowing was reported across 24,000 ha of land. For first week of July, soybean sowing across Chhattisgarh was reported across 530 ha of land out of proposed 1.2 lakh ha of land. In MP, soybean crop has covered around 65-70% of total cultivable. Since MP contributes around 66% of total soybean production in India, focus on sowing progress is vital as sowing after 15th of July incurs potential yield loss. On Wednesday, CBOT remained closed on account of Independence Day holiday in US. Despite decline in exports of soymeal during April-June to 4.24 lakh MT from 5.65 lakh MT for same time period last year, soymeal prices remained buoyant across ports and domestic markets on continued buying support, whereas prices of soy oil stood steady at previous days levels on account of lack of fresh global cues. Prices of soybean stood firm across Maharashtra and Kota while it softened in MP.

FUTURES MARKET: -

The most active August contract for soybeans at NCDEX traded bullish on speculative buying. The futures opened at Rs 1606/qrtl against previous closing of Rs 1603/qrtl. Futures closed lower at 1624.5/qrtl.

PRICE DRIVERS:

1. Steady to slightly improved domestic soymeal sentiments
2. Good sowing progress of soybean.
3. CBOT remained closed.
4. Steady palm oil at BMD.
5. Dearth of ready available beans.

WEATHER:

Monsoon has nearly covered major soybeans producing regions.

TECHNICALS: -

Candlestick shows bullishness with slight tentativeness at higher levels as indicated by upper shadow of the candlestick. EMA and MACD are seen rising in positive territory indicating medium term firmness. Both the Stochastic and RSI are rising up in overbought region. Both the Volumes and open Interest increased. Prices are likely to open slightly lower and trade with slight tentativeness on higher levels.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	1600	1609	1624.5	1630	1634

Trade Recommendation:

BUY NCDEX August Soybean contract near 1622 with target T1 at 1624 and T2 at 1628. Put SL at 1618.

SPOT MARKET PRICES: -

Markets	Market	05.07.07	04.07.07	Change	Arrivals (Bags)
Indore	Plant	1580-1585	1575-1590	-5	20,000
Indore	Mandi	1480-1540	1550	-10	
Maharashtra	Plant	1675	1670	+5	10,000
Maharashtra	Mandi	1620-1630	1600-1610	+20	
Kota	Plant	1600	1570-1575	+25	3,000
Kota	Mandi	1550	1520	+30	

MUSTARD

SPOT MARKETS:

With a marked low-pressure area over Rajasthan, heavy rains showers are likely to extend till weekend over East and South West Rajasthan. During the week, arrivals have been keeping steady pace and are likely to remain immune by weekend as routine trading remains slightly subdued. On Thursday, arrivals again declined to 40,000 bags, a decline of 5,000 bags over previous days arrivals. On lack of fresh global cues, prices of mustard seeds eased down except for slight firmness across Alwar and Agra region. Expeller oil prices across Rajasthan and Mumbai region stood steady at previous days levels. Little trade activity was noticed across domestic exchanges as market awaited fresh cues. On lack of fresh fundamentals, mustard complex would continue to track soy complex and global cues.

FUTURES MARKET: -

The NCDEX Mustard seed August traded firm on good buying support at current price levels. The futures opened at Rs 450/20 Kg against previous closing level of Rs 450.55/20 Kg. Futures closed slightly up at Rs 452.7/20 Kg.

PRICE DRIVERS:

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

WEATHER: -

Weather is insignificant for mustard, except for impact on daily arrivals.

TECHNICALS: -

Prices managed to recoup previous days losses and stood firm. Prices closed near 9 day EMA. MACD is on verge of making a bearish cross over in positive region. Stochastic continued to dip lower whereas RSI is heading up in neutral region. Volumes declined and open interest increased. Prices are likely to trade steady to slightly firm with selling pressure at higher levels.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	446	448	452.7	460	464

Trade Recommendation:

BUY NCDEX Mustard August Futures contract near 452 with target T1 at 455, T2 near 458. Put SL at 450.

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

Markets	05.07.07	04.07.07	Change	Arrivals (Bags)
Jaipur (C)	2185-2190	2200	-10	
Alwar(C)	2110-2115	2100	+15	1000-2000
Delhi(C)	2180	2210-2215	-35	1500
Agra(C)/Katchi Ghani	2325/5300	2320/5300	+5	-
Sri Ganganagar (NC)	1860-1865	1890	-25	1500-2000
Kota (NC)	1890-1900	1910	-10	

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Both groundnut and oil traded firm on Thursday despite steady sentiments for edible oil traded across domestic markets. The prices of shelled nuts firmed up to Rs 410 to 571/20 Kg. Rates for groundnut oil at Rajkot firmed up to Rs 774 per 10 Kg. According to trade sources, groundnut sowing in Gujarat is seen in 16-17 lakh hectares, which is nearly 2 lakh less to last year figure. 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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