

## OILSEED DAILY

12<sup>th</sup> July 2007

### SOYBEAN

#### SPOT MARKETS:

Price of soybean and Soymeal firmed up across spot markets on good demand, views of soybean crop damage in Maharashtra, resowing demand for soybean, views of sharp drop in US soybean crop conditions on drier weather outlook and limited availability of soybeans domestically. Prices of soymeal stood firm across domestic markets and at ports. However, consolidation in prices of edible oil eased down the prices of soy oil across Indore and Mumbai regions. Arrivals in MP improved by 20,000 bags to around 35,000 bags, elsewhere arrivals stood steady at previous levels. Firm global cues and impending rains over oilseed growing regions in India are likely to keep soy complex on steady to firm note. Traders expect that harvesting of Kharif soybean is likely to get delayed further on resowing operation and uneven distribution of rainfalls.

#### FUTURES MARKET: -

The most active August contract for soybeans at NCDEX traded bullish on god buying support and firm soy futures at CBOT. The futures opened at Rs 1632/qrtl against previous closing of Rs 1630/qrtl. Futures closed up at 1656/qrtl.

#### PRICE DRIVERS:

1. Firm domestic soymeal sentiments
2. Resowing likely for soybean in Maharashtra.
3. Firm soy futures at CBOT.
4. Steady to slightly 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 has formed a Marubozu pattern indicating bullishness in prices. EMA and MACD pattern indicate firmness in prices for medium term. Stochastic has turned flat in overbought region and RSI is heading up in overbought region indicating firmness in prices with slight correction likely. Both Volumes and open Interest increased. Prices are expected to trade steady to slightly firm with slight tentativeness on higher side.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	1636	1643	1656	1662	1664

#### Trade Recommendation:

**BUY** NCDEX August Soybean contract near 1655 with target T1 at 1658 and T2 at 1660. Put SL at 1646.

#### SPOT MARKET PRICES: -

Markets	Market	11.07.07	10.07.07	Change	Arrivals (Bags)
Indore	Plant	1615-1625	1590-1610	+15	30,000-35,000
Indore	Mandi	1540-1560	1520-1540	+20	
Maharashtra	Plant	1700-1710	1690-1700	+10	10,000
Maharashtra	Mandi	1640-1660	1630-1650	+10	
Kota	Plant	1600-1610	1600	+10	3,000
Kota	Mandi	1540-1550	1540-1550	0	

## MUSTARD

### SPOT MARKETS:

No arrivals were reported on Wednesday on account of heavy rainfalls, except for marginal arrivals reported in Alwar and Ganganagar region. With forecast of heavy rains to mount on Rajasthan on Thursday, arrivals are likely to remain sporadic for second consecutive day. Spot prices of mustard seeds [condition and non-condition] stood firm on Wednesday against steady demand from millers and stockists. However prices stood steady in Jaipur region. Spot price of expeller oil in Mumbai and Jaipur region eased down marginally tracking consolidation in prices of major edible oils. Tracking global cues and firm soy complex, mustard seed prices settled up across domestic exchanges. Traders expect that mustard complex is likely to track firmness in soy complex as demand for mustard seeds are likely to remain short of supply on impending rains.

### FUTURES MARKET: -

The NCDEX Mustard seed August traded bullish on predominant buying interest. The futures opened at Rs 453/20 Kg against previous closing level of Rs 452.1/20 Kg. Futures closed up at Rs456/20 Kg.

### PRICE DRIVERS:

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

### WEATHER: -

A marked low pressure area over South East Rajasthan is likely to fade in day or two. Despite this Cyclonic circulation over Central Rajasthan is likely to bring in heavy rains within 24 hrs.

### TECHNICALS: -

Candlestick shows firmness in prices with slight tentativeness on higher side as indicated by upper shadow of the candlestick. Prices closed well above the EMA's. MACD is moving in positive region. Stochastic is on the verge of making bullish cross over in oversold region, whereas RSI is trending up in neutral region indicating firmness in prices in short term. Both the Volume and open interest increased. Prices are likely to trade steady to firm with slight resistance at higher levels.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	449	452	456	462	465

### Trade Recommendation:

**BUY** NCDEX Mustard August Futures contract near 456 with target T1 at 458, T2 near 460. Put SL at 454.

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

Markets	11.07.07	10.07.07	Change	Arrivals (Bags)
Jaipur (C)	2210	2200-2210	0	
Alwar(C)	2125	2115-2120	+5	1000-2000
Delhi(C)	2210	2190-2195	+15	1500
Agra(C)/Katchi Ghani	2325/5300	2300/5200	+25	-
Sri Ganganagar (NC)	1910	1870	+40	1500-2000
Kota (NC)	1910-1930	1900	+30	

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 581/20 Kg. Rates for groundnut oil at Rajkot stood firm at Rs798-800 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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