

OILSEED DAILY

20th July 2007

SOYBEAN

SPOT MARKETS:

As per latest estimate by the Centre, soybean production for season ending June 2007 is revised up to 88.6 lakh MT from previous 86.6 lakh MT. At CBOT, concern over dry weather over western Corn Belt and potential heat wave conditions helped short covering early in the session. A surge higher in energy prices and commercial buying helped support the oil market. Tracking overseas firmness, soymeal prices bounced back with good buying support at ports and across domestic markets. Prices of soy oil stood steady at Mumbai region while it firmed up slightly in Indore region on global cues and steady demand. With arrivals improving in MP by 10,000 bags, prices soared up across spot markets and at plants except for slight weakness in prices noticed across Kota and Maharashtra Mandi. With views of Malaysian palm oil exports to remain subdued during July 1-20, probably down by 4-5% on month, traders expect that any further gains for soy oil across domestic and at CBOT are likely to be capped in near term. The spills over affect on soybean prices are evident.

FUTURES MARKET: -

The August contract for soybeans at NCDEX opened firm on tracking firm cues from CBOT but couldn't sustain gains for long on predominant selling interest. The futures opened weak at Rs 1645/qttl against previous closing of Rs 1640/qttl. Futures closed marginally up at 1641/qttl.

PRICE DRIVERS:

1. Steady to slightly firm soymeal demand.
2. Bearish cues from BMD
3. Firm soy futures at CBOT.
4. Dearth of ready available beans in Maharashtra.
5. Restricted selling from stockists.

WEATHER:

With sowing almost complete across states, forecast of

TECHNICALS: -

Candlestick shows narrow range bound trade with slight selling pressure at higher levels as indicated by upper shadow of the candlestick. MACD has made a bearish crossover in positive region. Stochastic is moving down whereas RSI is hovering in neutral region after attempting to recover lately. Both the Volumes and open interest declined. Prices are likely to open lower but continue to find support at lower levels [1630-1632]



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	1624	1629	1641	1646	1652

Trade Recommendation:

SELL NCDEX August Soybean contract near 1640 with target T1 at 1637 and T2 at 1633. Put SL at 1642.

SPOT MARKET PRICES: -

Markets	Market	19.07.07	18.07.07	Change	Arrivals (Bags)
Indore	Plant	1640	1600-1620	+20	30,000
Indore	Mandi	1570-1600	1550-1590	+10	
Maharashtra	Plant	1720	1700	+20	8,000-10,000
Maharashtra	Mandi	1650	1650-1675	-25	
Kota	Plant	1580-1585	1580-1585	0	4,000
Kota	Mandi	1530-1545	1530-1550	-5	

MUSTARD

SPOT MARKETS:

As per latest estimate by the Centre, rapeseed production for crop year 2006-2007 is revised up to 71 lakh MT from previous 66.9 lakh MT. Prices of mustard seeds stood slightly firm across Delhi and Hapur exchanges while softened at Sirsa on interplay of mixed global and domestic cues. Spot prices of mustard seeds stood mixed on Thursday with slight firmness noticed in Alwar region. The total arrivals stood around 30,000 bags a decline of 5,000 bags over previous day's arrivals. Alwar received 2000 bags, a decline of 1,000 bags over previous day. Mustard expeller oil traded steady at Kota and Jaipur region while softened in Mumbai. Notably, prices of expeller oil across Rajasthan have been trading steady during the week except for Mumbai region where prices eased down steadily from Rs 508/10 Kg on Monday to Rs 504/10 Kg on Thursday. With sharp corrections in palm oil at BMD, edible oil prices are likely to undergo slight corrections in near term. Evidently prices of seeds are expected to soften slightly or trade steady as demand continues to hold steady to firm.

FUTURES MARKET: -

The NCDEX Mustard seed August traded slightly firm on speculative buying but amidst tentativeness on both the sides. The futures opened at Rs 456.25/20 Kg against previous closing level of Rs 455.1/20 Kg. Futures closed at Rs 457.1/20 Kg.

PRICE DRIVERS:

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

WEATHER: -

TECHNICALS: -

Candlestick shows slight firmness in prices with tentativeness on both sides as indicated by upper and lower shadow of the candlestick. MACD is weakening in positive region. Stochastic is moving down in neutral region whereas RSI has managed to recover in neutral region. Volumes and open interest increased. Prices are likely to open weak and trade with bearish bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	451	452	457.1	460	462

Trade Recommendation:

SELL NCDEX Mustard August Futures contract near 457 with target T1 at 456, T2 near 454. Put SL at 458.

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

Markets	19.07.07	18.07.07	Change	Arrivals (Bags)
Jaipur (C)	2235	2240	-5	
Alwar(C)	2140-2150	2140	+10	2,000
Delhi(C)	2215-2220	2220-2225	-5	1,000-1,200
Agra(C)/Katchi Ghani	2325/5350	2325-5325	0	
Sri Ganganagar (NC)	1920-1925	1925-1930	-5	1,500
Kota (NC)	1930-1935	-	-	-

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 prices of shelled nuts stood steady at Rs 410 to 574/20 Kg. Rates for groundnut oil at Rajkot stood lower at Rs780-781 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 remain 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. In Rajkot market groundnut oil prices traded between Rs. 790-800 per 10 kg during the week.

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.