

## OILSEED DAILY

### SOYBEAN

11<sup>th</sup> July 2007

#### SPOT MARKETS:

Monsoon rains have proved beneficial for soybean cultivation except for late planted soybeans. Crop damage has been reported across Maharashtra but traders opine it as marginal loss on impact of heavy rains. Arrivals across Maharashtra improved by 5000 bags to 15,000 bags on Tuesday, elsewhere it stood at previous day's levels. Spot prices of soybean stood steady at previous levels except for slight firmness noticed in Indore spot markets. Soymeal prices managed to hold firm on global cues and domestic buying support. Spot prices of soy oil softened marginally across Mumbai and Indore regions on account of selling pressure and bearish export data for palm oil at BMD. At CBOT, early rains across Mid-west and eastern Corn Belt brought in some weakness in soy futures. However, follow through technical buying supported the bounce in the later session. Weekly export inspections, released during the session, came in at 4.69 million bushels, well below expectations for 8-10 million.

#### FUTURES MARKET: -

The most active August contract for soybeans at NCDEX traded on higher side but with slight tentativeness on both the sides. The futures opened at Rs 1629/qrtl against previous closing of Rs 1624/qrtl. Futures closed up marginally at 1630/qrtl.

#### PRICE DRIVERS:

1. Steady to slightly improved domestic soymeal sentiments
2. Good sowing progress of soybean.
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.

#### TECHNICALS: -

Candlestick chart shows indecisiveness at higher level. Momentum indicator shows firmness in medium term. Stochastic has become flat near overbought region whereas RSI has recovered lately. Volumes increased and open Interest declined. Prices are likely to open firm with slight resistance at higher levels.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	1618	1623	1630	1638	1641

#### Trade Recommendation:

**BUY** NCDEX August Soybean contract near 1629 with target T1 at 1633 and T2 at 1635. Put SL at 1627.

#### SPOT MARKET PRICES: -

Markets	Market	10.07.07	09.07.07	Change	Arrivals (Bags)
Indore	Plant	1590-1610	1600-1610	0	10,000
Indore	Mandi	1520-1540	1520-1530	+10	
Maharashtra	Plant	1690-1700	1690-1700	0	10,000
Maharashtra	Mandi	1630-1650	1630-1650	0	
Kota	Plant	1600	1600-1610	-10	3,000
Kota	Mandi	1540-1550	1530-1550	0	

## MUSTARD

### SPOT MARKETS:

Forecast of heavy rains in a day or two may disrupt daily arrivals across spot markets. However slight relief from rains on Tuesday aided marginal increase in arrivals to 40,000 bags from previous days 35,000 bags. Mustard seed prices across Delhi, Hapur and Sirsa exchanges settled slightly firm on global cues and firm soy complex. Spot prices of condition seeds stood firm on Tuesday while keeping prices of non-condition seeds steady at previous levels. Slight correction in prices of edible oils prevented expeller oil to hold firm. Following up, spot prices of expeller oil softened in Mumbai region while holding steady across markets in Rajasthan. Heavy rains pose a threat to stored seeds across warehouses, but traders ignore any such possibility in present condition.

### FUTURES MARKET: -

The NCDEX Mustard seed August traded firm on predominant buying interest. The futures opened at Rs 449.2/20 Kg against previous closing level of Rs 449.4/20 Kg. Futures closed slightly lower at Rs 452.1/20 Kg.

### PRICE DRIVERS:

1. Steady prices for expeller oil.
2. Steady to improved 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: -

Candlestick shows firmness in prices. Prices closed above the short-term EMA's. MACD is moving down towards neutral zone. Stochastic has dipped further in neutral region whereas RSI has moved up in neutral region indicating slight firmness in prices in near term. Both the Volume and open interest declined. Prices are likely to trade steady to slightly firm but with tentativeness on both sides.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	448	449	452.1	456	458

### Trade Recommendation:

**BUY** NCDEX Mustard August Futures contract near 452 with target T1 at 453, T2 near 455. Put SL at 451.

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

Markets	10.07.07	09.07.07	Change	Arrivals (Bags)
Jaipur (C)	2200-2210	2200	+10	
Alwar(C)	2115-2120	2110	+10	1000-2000
Delhi(C)	2190-2195	2190	+5	1500
Agra(C)/Katchi Ghani	2300/5200	2300/5300	0	-
Sri Ganganagar (NC)	1870	1870	0	1500-2000
Kota (NC)	1900	1900	0	

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET: -

Both groundnut and oil traded firm on Tuesday. The prices of shelled nuts firmed up to Rs 410 to 580/20 Kg. Rates for groundnut oil at Rajkot firmed up to Rs 7985 per 10 Kg. Good rains in Rajasthan and threat of locust swarms continue to haunt trading sentiments. 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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