

OILSEED DAILY

SOYBEAN

24th July 2007

SPOT MARKETS:

As per data compiled by Agriculture Ministry, the total coverage of oilseeds so far has been 121.6 lakh ha as compared to 117.4 lakh ha on July 19 last year. A total area of 71.67 lakh hectares have till now been sown under soybean, which is more than the 67.45 lakh ha covered in the same period last year. Acreages have gone up in Madhya Pradesh and Maharashtra. The daily arrivals on Monday stood around 30,000 to 33,000 bags, a decline of 12,000 bags over previous weekends trading. Prices of soybean settled lower across MP with slight firmness noticed in Kota and Maharashtra Mandi on account of steady demand for soymeal. Prices of soymeal stood steady on Monday's trading. With better prospects of soybean production this year coupled with consolidation in prices of edible oils across spot markets on Monday, prices of beans are likely to soften in near term before resuming the uptrend again on tight supply conditions.

FUTURES MARKET: -

The soybeans futures at NCDEX traded sideways with bearish undertone on account of higher selling pressure. The futures opened at Rs 1660/qrtl against previous closing of Rs 1663/qrtl. Futures closed marginally up at 1651.5/qrtl.

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:

With sowing almost complete across states, forecast of scattered to isolated rains over Madhya Maharashtra and Central India would support growth of soybean crops.

TECHNICALS: -

Candlestick shows bearishness in prices with slight tentativeness on both sides as indicated by an upper and lower shadow of the candlestick. MACD is moving down in positive region. Stochastic is heading up in neutral region and heading up whereas RSI has dipped lower in neutral region indicating slight consolidation in prices expected in near term. Both the Volumes and open interest declined. Prices are likely to open slightly weak and trade steady thereafter.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	1635	1640	1651.5	1654	1658

Trade Recommendation:

SELL NCDEX August Soybean contract near 1651 with target T1 at 1647 and T2 at 1644. Put SL at 1652.

SPOT MARKET PRICES: -

Markets	Market	23.07.07	21.07.07	Change	Arrivals (Bags)
Indore	Plant	1650	1660-1665	-15	20,000
Indore	Mandi	1570-1600	1575-1610	-10	
Maharashtra	Plant	1740	1750	-10	8,000
Maharashtra	Mandi	1700-1710	1700	+10	
Kota	Plant	1600-1610	1600-1610	0	5,000
Kota	Mandi	1560-1580	1550-1560	+20	

MUSTARD

SPOT MARKETS:

On Monday, mustard seed prices across domestic exchanges settled lower on tracking weak cues from soy complex and overseas advices. Domestically, spot prices of mustard seeds too eased down on account of consolidation in prices of edible oils traded across spot markets. Arrivals across Alwar and Ganganagar spot markets improved by around 500 bags over previous weekends trading. However, Delhi region witnessed a decline of 500 bags. Both rapeseed and mustard expeller oil traded weak across Rajasthan. Market observers expect that with softening prices of oils, both the prices of seeds as well as arrivals are going to witness a setback before market players resume fresh buying interests at lower levels. By end of this month, good demand for expeller oil at retail end coupled virtual dearth seeds at traders end would support prices across mustard complex.

FUTURES MARKET: -

The NCDEX Mustard seed August traded on lower side on account of predominant selling interest. The futures opened at Rs 457/20 Kg against previous closing level of Rs 457.35/20 Kg. Futures closed at Rs 454.45/20 Kg.

PRICE DRIVERS:

1. Steady 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 shows bearishness in prices with slight buying support at lower levels as indicated by small lower shadow. 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 lower and trade steady later.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	449	450	454.45	458	460

Trade Recommendation:

SELL NCDEX Mustard August Futures contract near 455 with target T1 at 453, T2 near 452. Put SL at 457.

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

Markets	23.07.07	21.07.07	Change	Arrivals (Bags)
Jaipur (C)	2240	2240	0	
Alwar(C)	2140	2150	-10	2000-2,500
Delhi(C)	2230	2240-2250	-20	1,500
Agra(C)/Katchi Ghani	2350/5300	2325/5350	+25	
Sri Ganganagar (NC)	1915	1935-1940	-25	2,500
Kota (NC)	1950	1960-1970	-20	-

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 very view is likely to keep prices of groundnut almost buoyant. The prices of shelled nuts stood steady at Rs 410 to 570/20 Kg. Rates for groundnut oil at Rajkot stood lower at Rs 771-772 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.

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