

## OILSEED DAILY

28<sup>th</sup> August 2007

### SOYBEAN

#### SPOT MARKETS:

As per IMD, the monsoon rains would resume across Central MP and Madhya Maharashtra within 24 hrs. Crop conditions are reported to be good and expected rains don't pose any threat to crop yield aspects. The daily arrivals across spot markets declined to 37,000 bags from previous week's 41,000 bags. Spot prices of soybean stood mixed on Monday. Plant delivery rates for soybean softened across MP and Kota regions while firming up marginally across Maharashtra regions. Soymeal prices stood firm across domestic markets and at ports on limited availability of soybean for crushing and improving sentiments for oilmeals across domestic and overseas markets. At overseas front, talks of US industry group stating for a likely increase in production of soybean by 1.3% on account of supportive rains may cast in bearish cues for soy complex at CBOT in near term. Fresh incidence of Bird Flu in Germany may undermine export prospect for US soymeal as EU is one of the major importers of soymeal from America.

#### FUTURES MARKET: -

The soybeans futures at NCDEX traded bearish on predominant selling pressure and weak cues from overseas markets. The futures opened at Rs 1527/qttl against previous closing of Rs 1529.5/qttl. Futures closed at 1510.5/qttl.

#### PRICE DRIVERS:

1. Good oilseed production prospects this season.
2. Expectation of US soybean production to increase this season.
3. Steady demand for soymeal across domestic markets.
4. Steady daily arrivals across spot markets.

#### WEATHER:

IMD forecast:- Monsoon rains over central India and Maharashtra to resume within 24 hrs.

#### TECHNICALS: -

Prices gapped down after a gap opening and formed a dark candlestick showing bearishness in prices. The MACD and EMA are medium term bearish. The Stochastic is seen rising above the oversold region while the RSI dipped again in to oversold region. Both the Volumes increased and open interest declined. Prices are likely to trade bearish.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	1489	1496	1510.5	1518	1525

#### Trade Recommendation:

**SELL** NCDEX September Soybean contract near 1510 with target T1 at 1506 and T2 at 1500. Put SL at 1513.

#### SPOT MARKET PRICES: -

Markets	Market	27.08.07	25.08.07	Change	Arrivals (Bags)
Indore	Plant	1525-1530	1525-1535	-5	25,000
Indore	Mandi	1440-1470	1450-1470	0	
Maharashtra	Plant	1560-1580	1560-1570	+10	8000
Maharashtra	Mandi	1520	1500-1530	-10	
Kota	Plant	1500	1520-1525	-25	3500-4000
Kota	Mandi	1470	1470-1480	-10	

## MUSTARD

### SPOT MARKETS:

Delhi and Sirsa domestic exchange witnessed weak sentiments for mustard seeds except for slight firmness noticed in Hapur exchange. Across spot markets, the prices of mustard seeds stood weak except for slight firmness noticed in Delhi region on account of marginal decline in daily arrivals from 300 bags to 150 bags on Monday. The daily arrivals on Monday stood at previous weekend's levels of 15,000 to 20,000 bags. The FAS prices of rape seed DOC at Kandla port firmed up marginally to \$ 138-140/MT from previous week's average of \$ 135-137/MT. Sentiments for mustard complex are routinely taking cues from other oilseeds and oilmeals traded across spot markets on lack of strong fundamentals for mustard seeds during the lean season. However, prices are routinely discounted on news of good imports of edible oils.

### FUTURES MARKET: -

The NCDEX Mustard seed futures traded on lower side on predominant selling pressure. The futures opened at Rs 431/20 Kg against previous closing level of Rs 432 /20 Kg. Futures closed lower at Rs 426.9 /20 Kg.

### PRICE DRIVERS:

1. Steady arrivals across spot markets.
2. Good oilseed production this season
3. Demand for rapeseed meal stood steady.
4. Restricted selling from stockists.
5. Millers intending to buy more soybeans.

### WEATHER: --

Monsoon rains over East of Rajasthan unlikely to affect arrivals across spot markets.

### TECHNICALS: -

Prices gapped down showing subdued market sentiments. The dark candlestick with lower shadow shows buying support emerging at lower levels. Both RSI and Stochastic have dipped lower in oversold region indicating weakness in prices. Volumes increased and open interest declined. Prices to trade on lower side, as recovery in prices is not visible in near term.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	418	421	426.9	431	433

### Trade Recommendation:

**SELL** NCDEX Mustard September Futures contract near 427 with target T1 at 425, T2 near 423. Put SL at 429.

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

Markets	27.08.07	25.08.07	Change	Arrivals (Bags)
Jaipur (C)	2160	2165-2170	-10	-
Alwar(C)	2060-2065	2075-2080	-15	1500
Delhi(C)	2170	2165	+5	150
Agra(C)/Katchi Ghani	2270/5150	2325/5150	-55	-
Sri Ganganagar (NC)	1790-1800	1825-1830	-30	700-800
Kota (NC)	NA	NA	-	NA

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET: -

The area under groundnut crop has increased by around 15-16% this season. Traders expect that prices of edible oils are not going to flare up sharply as imports and reduction of duty are already keeping prices under check. The prices of shelled nuts stood at Rs 410 to 548/20 Kg. Prices of groundnut oil stood marginally lower at Rs 763-734/10 Kg in Rajkot market on subdued market demand for edible oils and weak global cues on weekend trading. Early sown groundnut is in early vegetative/vegetative stages across major groundnut producing regions while sowing is continuing in Tamil Nadu and in parts of Karnataka. As per government latest figures groundnut sowing is completed in close to 5 million hectares as on August 17th vs 4.84 million hectares last week and 4.34 million hectares a year ago

### 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.