

OILSEED DAILY

22nd August 2007

SOYBEAN

SPOT MARKETS:

The daily arrivals on Tuesday declined to 24,000 bags from previous day's arrivals of 36,000 bags. Marked decline of 10,000 bags was witnessed in MP. Spot prices stood mixed with slight firmness noticed in Indore Mandi while staying steady in Kota and Maharashtra physical markets. Plant delivery across MP and Maharashtra softened on global cues. Prices of soymeal stood steady across domestic markets and at ports. Slight weakness in prices of soy oil across Mumbai and MP region couldn't provide support to prices of soybean. Lack luster buying from stockists and Vanaspati millers featured trade today. Monsoon rains have taken grip over Western parts of MP and Maharashtra but would fade away by weekend providing enough soil moisture for soybean crops in early flowering/vegetative stages. Market observers believe that domestic edible oil prices are likely to stay buoyant but wouldn't flare up on increasing supply concerns for palm oil and good imports of edible oils. Soybean prices are expected to trade range bound.

FUTURES MARKET: -

The soybeans futures at NCDEX traded slightly firm on good buying support and firm soy futures at CBOT. The futures opened at Rs 1532/ctl against previous closing of Rs 1532/ctl. Futures closed up at 1538/ctl.

PRICE DRIVERS:

1. Weather crucial for crop growth and production prospects.
2. Further consolidation in prices of edible oils.
3. Steady demand for soymeal across domestic markets.
4. Decline in daily arrivals across spot markets.

WEATHER:

Scattered rains over Western MP and Maharashtra within 48 hrs. Rains conducive for vegetative growth of soybean.

TECHNICALS: -

A small hollow body candlestick with both upper and lower shadow shows slight firmness in prices with tentativeness over market direction. The MACD is seen dipping in negative region. The Stochastic has dipped further while RSI shows good recovery in prices. Both the Volumes and open interest declined. Prices would trade range bound with weak bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	1529	1531	1538	1545	1549

Trade Recommendation:

SELL NCDEX September Soybean contract near 1540 with target T1 at 1537 and T2 at 1533. Put SL at 1542.

SPOT MARKET PRICES: -

Markets	Market	21.08.07	20.08.07	Change	Arrivals (Bags)
Indore	Plant	1530-1545	1550	-5	15,000
Indore	Mandi	1460-1480	1450	+30	
Maharashtra	Plant	1580	1600	-20	5,000
Maharashtra	Mandi	1550	1540-1550	0	
Kota	Plant	1520	1520	0	4000
Kota	Mandi	1470-1480	1470-1480	0	

MUSTARD

SPOT MARKETS:

On Tuesday, mustard seed prices settled firm across Sirsa, Delhi and Hapur exchanges on global advices and improvement in buying support from traders. The daily arrivals stood at 25,000 bags, a hike of 10,000 bags over previous day's arrivals. Alwar region witnessed hike of 1000 bags while arrivals dropped down in Ganganagar and Delhi regions. Prices of condition seeds stood firm while that of non-condition seeds softened marginally across spot markets. Mustard expeller oil traded steady across spot markets in Rajasthan, while rapeseed oil firmed up marginally in Mumbai on improving demand. Prices of expeller oil have softened considerably in comparison to last week's prices on glut in supply conditions and weak cues from BMD and CBOT. Prices of RSM stood steady on lack of good export enquiries and steady domestic demand. Prices of seeds and oil are likely to hold range bound in short term on lack of fresh fundamentals.

FUTURES MARKET: -

The NCDEX Mustard seed futures traded slightly firm on good buying support. The futures opened at Rs 437.8/20 Kg against previous closing level of Rs 437/20 Kg. Futures closed at Rs 438.9/20 Kg.

PRICE DRIVERS:

1. Improved arrivals across spot markets.
2. NAFED to import 1 lakh MT of edible oils by October.
3. Demand for rapeseed meal stood steady.
4. Restricted selling from stockists.
5. Weak sentiments for edible oils and global cues.

WEATHER: -

Scattered rains over Rajasthan within 48 hrs as per recent forecast of IMD.

TECHNICALS: -

A small hollow body candlestick with both upper and lower shadow shows slight firmness in prices with slight tentativeness noticed on both sides. The MACD has dipped further in negative region. RSI shows good recovery at lower levels while Stochastic is on verge of making a bullish crossover. Both the Volumes and open interest declined. Prices would open slightly firm but would trade with bearish bias



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	435	436	438.9	441	442

Trade Recommendation:

SELL NCDEX Mustard September Futures contract near 439 with target T1 at 438.3, T2 near 437. Put SL at 440.

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

Markets	21.08.07	20.08.07	Change	Arrivals (Bags)
Jaipur (C)	2185-2190	2170-2175	+15	-
Alwar(C)	2080	2070-2075	+5	1500
Delhi(C)	2190	2180	+10	NA
Agra(C)/Katchi Ghani	2250/5150	2250/5150	0	-
Sri Ganganagar (NC)	1840	1850	-10	500
Kota (NC)	NA	1880	-	800-1000

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 563/20 Kg. Prices of groundnut oil stood marginally lower at Rs 780/10 Kg in Rajkot market on subdued market demand for edible oils and weak global cues on Monday. 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

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