

## OILSEED DAILY

23<sup>rd</sup> August 2007

### SOYBEAN

#### SPOT MARKETS:

Spot markets in Rajasthan were reported to be closed on account of strike. The daily arrivals across spot markets improved considerably to 40,000 to 43,000 bags, a hike of 16,000 to 18,000 bags over previous day's arrivals. Marked increase was reported from MP. Spot prices of soybean soared up in MP while holding steady in Maharashtra. Plant delivery rates stood firm in both MP and Maharashtra regions. Soymeal traded slightly firm on Wednesday. The underlying firmness across soy complex was attributed to firm cues from soybean and soymeal futures at CBOT. As per market observers, export sentiments for Indian soymeal are gathering firm pace not only on account of its unique Non-GM nature but also on its rich protein value. Since soymeal exported from South America to Asian continents is at a premium of \$ 20/MT, countries like South Korea may book Indian cargoes at relatively cheaper prices thereby not only providing support to domestic soymeal prices but to soybean as well.

#### FUTURES MARKET: -

The soybeans futures at NCDEX traded weak on predominant selling pressure despite firm soybean futures at CBOT. The futures opened at Rs 1535/ctl against previous closing of Rs 1538/ctl. Futures closed lower at 1522/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 dark body candlestick with well marked lower shadow shows buying support in otherwise bears market. The MACD is medium term bearish. The Stochastic has entered oversold region while RSI is attempting to dip further towards oversold region. Volumes increased and open interest declined. Prices likely to trade range bound with weak bias.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	1505	1507	1522	1533	1537

#### Trade Recommendation:

SELL NCDEX September Soybean contract near 1523.5 with target T1 at 1516 and T2 at 1513. Put SL at 1528.

#### SPOT MARKET PRICES: -

Markets	Market	22.08.07	21.08.07	Change	Arrivals (Bags)
Indore	Plant	1535-1550	1530-1545	+5	30,000-35,000
Indore	Mandi	1470-1525	1460-1480	+45	
Maharashtra	Plant	1600-1620	1580	+40	8,000-10,000
Maharashtra	Mandi	1550	1550	0	
Kota	Plant	NA	1520	-	NA
Kota	Mandi	NA	1470-1480	-	

## MUSTARD

### SPOT MARKETS:

Lack luster trade activity featured spot trading on Wednesday. Major markets in Rajasthan were reported to be closed on account of traders strike. No arrivals were reported across Jaipur and Delhi except for marginal arrivals in Alwar and Ganganagar regions. Spot prices of mustard seeds firmed up marginally in Ganganagar, elsewhere it stood steady. Sentiments for expeller oil remained subdued across Mumbai and Rajasthan markets. Better prospects of soybean production in Rajasthan this season vis-à-vis last year is diverting interests of millers and stockists to buy more soybeans on expectation of further softening in its prices in short/medium term. The very view is likely to cast in temporary weakness in prices of mustard seeds. However dearth of ready available seeds across Rajasthan would continue to underpin the prices.

### FUTURES MARKET: -

The NCDEX Mustard seed futures traded sideways with bearish tinge. The futures opened at Rs 439.9/20 Kg against previous closing level of Rs 438.9/20 Kg. Futures closed at Rs 438/20 Kg.

### PRICE DRIVERS:

1. No arrivals on account of traders strike.
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.
6. Millers intending to buy more soybeans.

### WEATHER: -

Scattered rains over South Rajasthan within 24 hrs as per recent forecast of IMD.

### TECHNICALS: -

A small dark body candlestick with both upper and lower shadow shows slight weakness in prices with slight tentativeness noticed on both sides. The MACD has dipped further in negative region. RSI dipped lower levels after recent rise while Stochastic headed up following bullish crossover. Volumes declined and open interest increased. Prices would trade on lower side with no immediate sign of recovery at lower levels.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	432	434	438	440.5	441.5

### Trade Recommendation:

**SELL** NCDEX Mustard September Futures contract near 438 with target T1 at 436, T2 near 435. Put SL at 439.5.

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

Markets	22.08.07	21.08.07	Change	Arrivals (Bags)
Jaipur (C)	2190	2185-2190	0	-
Alwar(C)	NA	2080	-	400-500
Delhi(C)	2190	2190	0	NA
Agra(C)/Katchi Ghani	2250/5150	2250/5150	0	-
Sri Ganganagar (NC)	1865-1870	1840	+30	600
Kota (NC)	NA	NA	Nil	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 563/20 Kg. Prices of groundnut oil stood marginally lower at Rs 777/10 Kg in Rajkot market on subdued market demand for edible oils and weak global cues on Wednesday. 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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