

OILSEED DAILY

10th August 2007

SOYBEAN

SPOT MARKETS:

The daily arrivals across spot markets improved to 42,000 bags, a hike of 11,000 bags over previous day's arrivals. Firm cues from CBOT, festive buying of soy oil in MP and Maharashtra coupled with hoarding of bean stocks at traders end supported soybean, soymeal and soy oil prices on Thursday. Soybean prices continued to surge up on good demand from processors and millers alike. Soymeal too managed to stay firm on active buying across domestic markets. With traders and soymeal exporters eyeing exports of high protein soymeal, the soymeal prices are likely to stay steady to slightly firm until harvest pressure picks up from October onwards. The export of high protein soymeal fetches a premium of \$ 20-25/MT over normal soymeal. With USDA supply demand report due on Friday, traders await for fresh cues. An initial survey report states for soybean production to touch 2.655 billion bushels as compared with the July USDA estimate of 2.625 billion bushels and last year's production at 3.188 billion.

FUTURES MARKET: -

The soybeans futures at NCDEX traded on higher side on tracking firm soy futures at CBOT. The futures opened at Rs 1545/qtt against previous closing of Rs 1542.5/qtt. Futures closed low at 1543/qtt.

PRICE DRIVERS:

1. Good prospects for soybean acreage and kharif production.
2. Monsoon weakened over Central India.
3. Improved arrivals across spot markets.
4. Active buying by millers and solvent extraction plants.

WEATHER:

A low pressure area over Western MP has shifted to South Rajasthan and Kutch area in Gujarat. Good rains over MP were supportive for soybean growth.

TECHNICALS: -

Candlestick show tentativeness on both sides with predominant selling pressure as indicated by relatively long upper shadow of the candlestick. The MACD is hovering in negative region. Technical indicators couldn't make a move above the oversold region with RSI turning almost flat. Both the Volumes and open interest increased. Prices are likely to open weak and trade steady during later part of the session.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	1532	1535	1543	1556	1560

Trade Recommendation:

BUY NCDEX September Soybean contract near 1542 with target T1 at 1548 and T2 at 1553. Put SL at 1539.

SPOT MARKET PRICES: -

Markets	Market	09.08.07	08.08.07	Change	Arrivals (Bags)
Indore	Plant	1540-1545	1520-1525	+20	25,000-30,000
Indore	Mandi	1500-1510	1470-1500	+10	
Maharashtra	Plant	1600	1570	+30	7,000
Maharashtra	Mandi	1570	1500-1525	+45	
Kota	Plant	1525-1530	1510	+20	3000-4000
Kota	Mandi	1490-1500	1450	+50	

MUSTARD

SPOT MARKETS:

The daily arrivals across spot markets increased to 20,000 bags, a hike of 5,000 bags over previous day's arrivals. Arrivals in Alwar and Kota region improved by 500 bags, elsewhere it stood at previous day's levels. Festive buying demand for edible oils aided expeller oil prices to hold firm. Good demand for mustard oil from Vanaspati units supported prices of expeller oil. Following up, the spot prices stood mostly firm on Thursday with slight softening noticed in Delhi region. Until further consignments of edible oils imported through NAFED and state trading bodies reach Indian shores, the time gap in imports and good buying support for edible oils at current price levels would support prices in near term. Since mustard complex is closely tracking soy complex, any significant developments in soy complex is likely to be mirrored equally over mustard seed and oil sentiments.

FUTURES MARKET: -

The NCDEX Mustard seed futures traded sideways with bearish undertone. The futures opened at Rs 451.5/20 Kg against previous closing level of Rs 450.65/20 Kg. Futures closed lower at Rs 449/20 Kg.

PRICE DRIVERS:

1. Steady to slightly firm sentiments for expeller oil across Rajasthan.
2. NAFED to crush seeds to ensure ready availability of rapeseed oil.
3. Steady demand from vanaspati units and processors.
4. Restricted selling from stockists.

WEATHER: --

Forecast of good rains over South Rajasthan within 24 hrs may disrupt arrivals but unlikely to affect routine trading.

TECHNICALS: -

A dark body candlestick with a prominent upper shadow show resistance at higher levels. The MACD is hovering in negative regions. RSI has moved down while Stochastic is moving up in neutral region. Both the volumes and open interest increased. Prices are likely to open weak and trade sideways.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	443	444	449	454	456

Trade Recommendation:

BUY NCDEX Mustard September Futures contract near 447 with target T1 at 451.5, T2 near 452.6. Put SL at 446.

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

Markets	09.08.07	08.08.07	Change	Arrivals (Bags)
Jaipur (C)	2200-2205	2195-2200	+5	-
Alwar(C)	2115-2120	2115-2120	0	1500
Delhi(C)	2200	2210-2215	-15	700-800
Agra(C)/Katchi Ghani	2275/5250	2300/5275	+25	-
Sri Ganganagar (NC)	1910-1920	1890	+30	1500
Kota (NC)	1930-1940	1910-1915	+25	1500-2000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

As per government latest figures, despite slow monsoon progress groundnut sowing is rapidly completed in 3.9 million hectares as on July 27th against 3.35 million hectares last week and 3.46 million hectares last year. On account of good buying support for edible oils well before start of festive season aided spot prices for groundnut and groundnut oil in Gujarat. In Rajkot market groundnut oil prices traded at Rs 777 per 10 kg on Thursday. The prices of shelled nuts stood steady at Rs 410 to 568/20 Kg. The forecast of good rains over Gujarat and Western regions is good indicator for improving present crop conditions in Saurashtra regions. **The overall export of oil meals for the period April 2007 to July 2007 is reported at 956,775 tons compared to 1,055,150 tons i.e. down by 9% due to in decreased in export of soybean meal from 685,425 tons to 491,600 tons and groundnut meal from 43,100 ton to 4,775 tons in first four months of current year due to failure of groundnut crop.**

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