

OILSEED DAILY

30th August 2007

SOYBEAN

SPOT MARKETS:

With marginal decline in daily arrivals [32,000 bags], spot prices of soybean crashed down on Wednesday by average of Rs 30 per qtl. Overseas factors at BMD and CBOT weighed over domestic sentiments as well as on prices. Prices of soybean settled considerably lower in MP and Maharashtra except for slight firmness noticed for plant delivery rates in Kota region. Soymeal too traded weak with prices softening marginally across domestic markets. Good production prospects for soybean coupled with imports of edible oils in good volumes would drag down the prices further in short term. At overseas front, with around 55% of the soybean crop reported to be in good conditions, traders in US are now focusing more on yield estimates. The USDA national average yield estimates for soybean crop is around 41.5 bushels/acre against 42.7 bushels/acre last year. With around 15% fewer acres planted in US, traders are expecting lower carry over stocks for next year. Speculation is on air until USDA releases S&D estimates on September 12th 2007.

FUTURES MARKET: -

The soybeans futures at NCDEX traded bearish on tracking weak soy futures at CBOT. The futures opened at Rs 1510/qtl against previous closing of Rs 1519/qtl. Futures closed at 1488.5/qtl.

PRICE DRIVERS:

1. Good oilseed production prospects this season.
2. Expectation of US soybean production to increase this season.
3. Weak soy futures at CBOT on Tuesday.
4. Steady arrivals across spot markets.

WEATHER:

IMD forecast: - Rain showers over Western regions of MP and Madhya Maharashtra and decrease thereafter.

TECHNICALS: -

Prices gapped down considerably forming a dark candlestick indicating strong bearishness in prices. The MACD and EMA show medium term bearishness. The Stochastic dived in oversold region following a bearish crossover while RSI plunged further in deep oversold region. Volumes increased and open interest declined. Free fall in prices likely below 1480 levels.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	1463	1470	1488.5	1494	1500

Trade Recommendation:

SELL NCDEX September Soybean contract near 1488 with target T1 at 1483 and T2 at 1475. Put SL at 1490.

SPOT MARKET PRICES: -

Markets	Market	29.08.07	27.08.07	Change	Arrivals (Bags)
Indore	Plant	1480-1510	1525-1530	-20	20,000
Indore	Mandi	1410-1420	1440-1470	-50	
Maharashtra	Plant	1520-1525	1560-1580	-55	8000
Maharashtra	Mandi	NA	1520	-	
Kota	Plant	1510	1500	+10	3500-4000
Kota	Mandi	1450	1470	-20	

MUSTARD

SPOT MARKETS:

Sentiments across mustard complex stood subdued on Wednesday. Weak sentiments for oilseeds and edible oils in domestic and across overseas markets dragged down the prices of mustard seeds in major spot markets and domestic exchange. Mustard seed settled lower in Delhi, Hapur and Sirsa exchanges. Prices of condition seeds dragged lower while that of non-condition stood steady at Monday's level. Arrivals too declined in tandem to around 15,000 bags, a decline of 5,000 bags over Monday's levels. Spot markets were reportedly closed on Tuesday on account of Raksha Bandhan. No arrivals were reported in Delhi while Ganganagar region witnessed a decline of 300 bags over previous working day. Good imports of edible oils seem to be weighing on prices of oilseeds and would continue to pressure prices in short to medium term.

FUTURES MARKET: -

The NCDEX Mustard seed futures traded bearish on predominant selling interest. The futures opened at Rs 427.05/20 Kg against previous closing level of Rs 428.3 /20 Kg. Futures closed at Rs 421.6 /20 Kg.

PRICE DRIVERS:

1. Decline in arrivals across spot markets.
2. Subdued Sentiments for edible oils
3. Good oilseed production this season
4. Demand for rapeseed meal stood steady.
5. Millers intending to buy more soybeans.

WEATHER: --

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

TECHNICALS: -

The formation of Marubozu candlestick shows strong bearishness in prices. MACD and EMI pattern confirm the same. Stochastic has made a bullish crossover in oversold region while the RSI moved into deep oversold region. Volumes increased and open interest declined. Prices likely to find some support at 1415 levels.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	401	405	421.6	426	429

Trade Recommendation:

SELL NCDEX Mustard September Futures contract near 419 with target T1 at 415, T2 near 409. Put SL at 423.

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

Markets	29.08.07	27.08.07	Change	Arrivals (Bags)
Jaipur (C)	2150	2160	-10	-
Alwar(C)	2050-2060	2060-2065	-5	1500
Delhi(C)	2150	2170	-20	Nil
Agra(C)/Katchi Ghani	NA	2270/5150	-	-
Sri Ganganagar (NC)	1800	1790-1800	0	500
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 on Wednesday stood lower at Rs 410 to 532/20 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

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