

## OILSEED DAILY

21<sup>st</sup> August 2007

### SOYBEAN

#### SPOT MARKETS:

With forecast of good monsoon rains over central India and Vidarbha by Wednesday, production prospects of rainfed soybean crop looks bright. Early maturing varieties are in flowering stage and heavy downpour may be detrimental to its production. On Monday, the arrivals stood steady at previous weekend's levels of 35,000 to 36,000 bags. Spot prices of soybean stood mixed on Monday, with slight firmness in prices noticed in Maharashtra. Improving domestic demand for soymeal in and across the state kept the prices of soybean and soymeal firm despite weak cues for edible oils from overseas markets. Soybean prices softened in Indore region. Lower prices [FOB] of palm oil vis-à-vis soy oil from South America is likely to drag down the prices further unless fresh buying generates from lower levels. Lack luster buying from oil millers featured market sentiments.

#### FUTURES MARKET: -

The soybeans futures at NCDEX traded on lower side with predominant selling interest on cutting for August contract. The futures opened at Rs 1535/qlt against previous closing of Rs 1537/qlt. Futures closed lower at 1532/qlt.

#### 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. Steady arrivals across spot markets.

#### WEATHER:

Scattered rains over Central India and Maharashtra by Wednesday this week. Rains are conducive for vegetative growth of soybean.

#### TECHNICALS: -

A small dark body candlestick with relatively long upper shadow shows predominant selling pressure. The MACD is seen dipping in negative region. Both the Stochastic and RSI dipped further in neutral region indicating short term bearishness. Both the Volumes and open interest increased. Prices would trade range bound with weak bias.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	1506	1514	1532	1545	1552

#### Trade Recommendation:

**SELL** NCDEX September Soybean contract near 1534 with target T1 at 1527 and T2 at 1518. Put SL at 1538.

#### SPOT MARKET PRICES: -

Markets	Market	20.08.07	18.08.07	Change	Arrivals (Bags)
Indore	Plant	1550	1550	0	25,000
Indore	Mandi	1450	1470	-20	
Maharashtra	Plant	1600	1590	+10	6,000
Maharashtra	Mandi	1540-1550	1500-1520	+30	
Kota	Plant	1520	1510	+10	5000
Kota	Mandi	1470-1480	1480	0	

## MUSTARD

### SPOT MARKETS:

On Monday, the daily arrivals of mustard seeds across spot markets slipped down to 15,000 bags, a decline of 5,000 bags over previous weekend's arrivals. Mustard seed couldn't extend previous weeks firmness. Prices of seeds settled lower across spot markets; except for Delhi and Agra region where prices stood steady at previous weekend's levels. Seed prices across Delhi and Hapur exchange settled weak today on global advices and weak bias for soy complex. Subdued sentiments for edible oils further prevented prices to hold firm. Since mustard complex is closely tracking soy complex, any significant change in soy complex would be mirrored equally. The imports of 1 lakh MT of edible oil [CPO & CDSBO] through NAFED are likely to reach by October. The time gap in imports is unlikely to flare up the prices as glut in supply of edible oils is still mounting pressure on prices of oilseeds.

### FUTURES MARKET: -

The NCDEX Mustard seed futures dipped lower during the session but managed to hold firm on good buying support. The futures opened at Rs 436.1/20 Kg against previous closing level of Rs 437/20 Kg. Futures closed at Rs 437/20 Kg.

### PRICE DRIVERS:

1. Marginal decline in 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 relatively long lower shadow shows good buying support at lower levels. The MACD is dipping in negative region. Both the RSI and Stochastic hovering in negative region show no signs of immediate recovery in prices in short term. Both the Volumes and open interest increased. Prices would trade steady with slightly firm bias.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	431	433	437	441	443

### Trade Recommendation:

SELL NCDEX Mustard September Futures contract near 438.5 with target T1 at 436, T2 near 434. Put SL at 440.

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

Markets	20.08.07	18.08.07	Change	Arrivals (Bags)
Jaipur (C)	2170-2175	2180	-5	-
Alwar(C)	2070-2075	2080-2085	-10	500
Delhi(C)	2180	2180	0	700-800
Agra(C)/Katchi Ghani	2250/5150	2250/5200	0	-
Sri Ganganagar (NC)	1850	1865-1870	-20	700
Kota (NC)	1880	1900	-20	800-1000

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET: -

The prices of shelled nuts stood at Rs 410 to 563/20 Kg. Prices of groundnut oil stood steady at Rs 781-782/10 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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