

OILSEED DAILY

25th August 2007

SOYBEAN

SPOT MARKETS:

The total coverage of oilseeds so far has been 167.93 lakh ha as compared to 155.41 lakh ha on August 23, last year. Soyabean has been sown in 9 % higher area as compared to that in 2006. Crop conditions are reported to be good except for minor incidence of leaf caterpillar and roller reported from Kolhapur and Amravati division in Maharashtra. The daily arrivals on Friday stood steady except for marginal hike noticed in Maharashtra and Kota regions. Slightly bullish Census Bureau crush report for US soybean and firm soymeal futures at CBOT aided domestic soymeal prices hold buoyant across domestic markets and at ports [Kandla]. Prices of soybean stood mixed on Friday, with slight firmness noticed in plant delivery rates for soybean in MP and Kota Mandi while softening considerably in Maharashtra. Prices of soybean are expected to stay range bound on account of steady demand from millers and arrival pressure. However, looming weather over soybean crop in US may support prices in near term.

FUTURES MARKET: -

The soybeans futures at NCDEX traded sideways on lack of conviction to remain either bullish or bearish. The futures opened at Rs 1534/qttl against previous closing of Rs 1530/qttl. Futures closed at 1530/qttl.

PRICE DRIVERS:

1. Good oilseed production prospects this season.
2. Firm soy futures at CBOT.
3. Steady demand for soymeal across domestic markets.
4. Decline in daily arrivals across spot markets.

WEATHER:

Rains over central India to remain subdued as monsoon is shifting to foothills of Himalayas.

TECHNICALS: -

The small dark body candlestick shows bearishness in prices. The MACD is turning flat in negative region. The Stochastic is attempting to make a bullish crossover while RSI has turned flat in neutral region. Both the Volumes and open interest increased. Prices are likely to open slightly lower but would manage to trade steady on good buying support at current price levels.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	1518	1522	1530	1539	1542

Trade Recommendation:

BUY NCDEX September Soybean contract near 1528 with target T1 at 1534 and T2 at 1536. Put SL at 1526.

SPOT MARKET PRICES: -

Markets	Market	24.08.07	23.08.07	Change	Arrivals (Bags)
Indore	Plant	1550	1525-1540	+10	20,000-25,000
Indore	Mandi	1470	1450-1470	0	
Maharashtra	Plant	1570	1570-1580	-10	6,000-8000
Maharashtra	Mandi	1520	1500-1530	-10	
Kota	Plant	1530	1520-1530	0	4,000-5000
Kota	Mandi	1500	1490	+10	

MUSTARD

SPOT MARKETS:

The daily arrivals declined marginally across spot markets with marked decline of 900 bags noticed in Alwar market. Spot prices of seeds declined considerably across all major spot markets on predominant selling interest of traders on the back of expectation of bumper oilseed crops this season. Similar sentiments were noticed across domestic exchanges at Sirsa, Hapur and Delhi where seed prices settled lower for third consecutive day. On contrary, the prices of rape seed meal at Kandla port and rape seed DOC local firmed up in tandem with prices of soymeal and general firmness in prices of oilmeals across domestic markets. Prices of mustard seeds are expected to trade slightly weak in near term on account of weak cues from edible oils. However lower carry over stock with NAFED and dearth of seed availability with traders may support the prices during lean season for rapeseed/mustard.

FUTURES MARKET: -

The NCDEX Mustard seed futures traded on lower side on predominant selling pressure. The futures opened at Rs 436/20 Kg against previous closing level of Rs 436.45/20 Kg. Futures closed lower at Rs 432.8/20 Kg.

PRICE DRIVERS:

1. Steady arrivals across spot markets.
2. Good oilseed production this season
3. Demand for rapeseed meal stood steady.
4. Restricted selling from stockists.
5. Millers intending to buy more soybeans.

WEATHER: --

Monsoon rains have faded away from South Rajasthan regions and pose no threat to arrivals.

TECHNICALS: -

A dark body candlestick shows bearishness in prices. The MACD has dipped further in negative region. RSI has dipped further into deep oversold region while Stochastic is attempting to make a bearish crossover in oversold region. Volumes increased and open interest declined. Prices would dip further on predominant selling pressure and find new lows.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	420	424	432.8	435	437

Trade Recommendation:

SELL NCDEX Mustard September Futures contract near 432 with target T1 at 430.5, T2 near 427. Put SL at 434.

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

Markets	24.08.07	23.08.07	Change	Arrivals (Bags)
Jaipur (C)	2180	2190-2195	-15	-
Alwar(C)	2080	2080-2090	-10	500-600
Delhi(C)	2170-2180	2210	-30	300-400
Agra(C)/Katchi Ghani	2250/5175	2270/5175	-20	-
Sri Ganganagar (NC)	1850	1855-1860	-10	700-800
Kota (NC)		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 stood at Rs 410 to 561/20 Kg. Prices of groundnut oil stood marginally lower at Rs 768/10 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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