

OILSEED DAILY

16th August 2007

SOYBEAN

SPOT MARKETS:

Soybean prices stood mixed on Tuesday with slight firmness noticed in MP while staying range bound in Maharashtra. MP and Maharashtra witnessed a hike of 5,000 and 2000 bags over previous day's arrivals. Plant delivery rates firmed up in MP and Kota regions on good offtake by millers. Soymeal prices continued to hold firm on second consecutive day on good domestic demand and firm cues from CBOT. Crop conditions is reported to be good except for mid incidence of leaf caterpillar in Nashik, Kolhapur & Amravati division & leaf roller in Aurangabad, Nagpur division. Assured rainfall/irrigation of 10-15 cm/day is crucial for good growth of soybean crop. Any deviation can underpin soybean prices despite approaching harvesting season. As per market observers, soybean prices may settle slightly lower on supply pressure of edible oils and global advices but renewed buying interest would lift up the prices as demand continues to hold firm.

FUTURES MARKET: -

The soybeans futures at NCDEX traded sideways amidst slight tentativeness on both the sides. The futures opened at Rs 1576.5/qtl against previous closing of Rs 1582/qtl. Futures closed up at 1571.5/qtl.

PRICE DRIVERS:

1. Weather crucial for crop growth and production prospects.
2. Slight consolidation in prices of edible oils.
3. Improving demand for soymeal.
4. Improved arrivals across spot markets.

WEATHER:

Scattered rains over Central India conducive for crop growth.

TECHNICALS: -

A short dark candlestick with an upper and lower shadow show narrow trade activity with slight tentativeness on both the sides. The MACD has bottomed up in negative region. Stochastic is heading up while RSI has dropped down after a recent rise. Both the Volumes and open interest increased. Prices are likely to open slightly weak but trade with firm bias.



SUPPORT / RESISTANCE:

| Contract | S2 | S1 | PCP | R1 | R2 |
|-------------------|------|------|--------|------|------|
| NCDEX - September | 1555 | 1560 | 1571.5 | 1584 | 1592 |

Trade Recommendation:

BUY NCDEX September Soybean contract near 1569 with target T1 at 1574 and T2 at 1584. Put SL at 1564.

SPOT MARKET PRICES: -

| Markets | Market | 14.08.07 | 13.08.07 | Change | Arrivals (Bags) |
|-------------|--------|-----------|-----------|--------|-----------------|
| Indore | Plant | 1550-1560 | 1530-1550 | +10 | 20,000-25,000 |
| Indore | Mandi | 1480-1505 | 1480-1500 | +5 | |
| Maharashtra | Plant | 1580-1610 | 1610-1620 | -10 | 8,000-10,000 |
| Maharashtra | Mandi | 1580 | 1580-1590 | -10 | |
| Kota | Plant | 1530-1540 | 1510-1525 | +15 | 4000- 5000 |
| Kota | Mandi | 1500 | 1480-1500 | 0 | |

MUSTARD

SPOT MARKETS:

The mustard complex showed mixed sentiments on Tuesday. Arrivals kept its steady pace for second consecutive day with Delhi region witnessing a marginal hike of 200 bags. Prices of seeds firmed up in Alwar and Delhi region while it stood steady across Agra, Ganganagar and Kota markets. Seed prices settled lower across Sirsa, Delhi and Hapur exchanges. Rapeseed DOC and mustard expeller oil cake too traded range bond across Rajasthan. Slight softening in prices of expeller oil in Rajasthan prevented seed prices to hold firm. However rapeseed oil managed to trade firm in Mumbai region. The demand for mustard seeds would continue to hold firm despite the glut in supply of edible oils. Around 4 lakh MT of edible oils would be imported through three State run trading bodies and one through NAFED.

FUTURES MARKET: -

The NCDEX Mustard seed futures traded weak on higher selling interest. The futures opened at Rs 448/20 Kg against previous closing level of Rs 449.4/20 Kg. Futures closed lower at Rs 445.2/20 Kg.

PRICE DRIVERS:

1. Steady pace of arrivals..
2. Around 4 lakh MT of edible oils yet to be imported.
3. Demand for rapeseed meal stood steady.
4. Restricted selling from stockists.

WEATHER: --

Isolated rains over Rajasthan are unlikely to disrupt daily arrivals across spot markets.

TECHNICALS: -

The formation of dark candlestick with both upper and lower shadow show bearishness in prices amidst slight tentativeness on market direction. The MACD and EMA show medium term bearishness. RSI dipped lower in neutral region while Stochastic headed up. Both the volumes and open interest increased. Prices are likely to open steady and trade firm on good buying support at lower levels.



SUPPORT / RESISTANCE:

| Contract | S2 | S1 | PCP | R1 | R2 |
|-------------------|-----|-----|-------|-----|-----|
| NCDEX - September | 435 | 438 | 445.2 | 450 | 451 |

Trade Recommendation:

BUY NCDEX Mustard September Futures contract near 442 with target T1 at 446, T2 near 448. Put SL at 440.

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

| Markets | 14.08.07 | 13.08.07 | Change | Arrivals (Bags) |
|----------------------|-----------|-----------|--------|-----------------|
| Jaipur (C) | 2200 | 2210 | -10 | - |
| Alwar(C) | 2110-2115 | 2100-2110 | +5 | 1500 |
| Delhi(C) | 2210 | 2200 | +10 | 700 |
| Agra(C)/Katchi Ghani | 2300/5300 | 2300/5250 | 0 | - |
| Sri Ganganagar (NC) | 1860-1865 | 1865 | 0 | 1000 |
| Kota (NC) | 1900-1910 | 1890-1910 | 0 | 1000-1500 |

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

As per government latest figures groundnut sowing is completed in 4.84 million hectares as on August 10th against 4.42 million hectares last week and 4.45 million hectares a year ago. On Tuesday, the prices of shelled nuts stood at Rs 410 to 566/20 Kg. Prices of groundnut oil firmed up marginally to Rs 783/10 Kg in Rajkot market on account of festive buying. 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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