

OILSEED DAILY

18th August 2007

SOYBEAN

SPOT MARKETS:

With formation of a fresh low pressure area over North Bay of Bengal, rains would revive over central India shortly replenishing the much needed soil moisture for better growth of soybean crop. Expectation of a bumper crop this season is already keeping the spot market sentiments subdued. Weakness across financial markets kept the fund buyers on sidelines. Subdued edible oil sentiments across CBOT and BMD and slight improvement in arrival pressure of soybeans dragged down the prices of soybean, soymeal and eventually soy oil across spot markets on Friday. Soymeal prices plunged on tracking weak cues from soymeal futures at CBOT while domestic soy oil prices dwindled further on Friday on softening prices of soy oil in US. The daily arrivals declined by 13,000 bags to 34,000 bags. Prices of soybean crashed down heavily across spot markets with major fall noticed in Maharashtra region. Observers expect that lower prices would attract renewed buying at lower levels from millers and traders alike.

FUTURES MARKET: -

The soybeans futures at NCDEX traded slightly firm on good buying support during later half of trading session. The futures opened at Rs 1537/qttl against previous closing of Rs 1542/qttl. Futures closed up at 1544/qttl.

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. Improved arrivals across spot markets.

WEATHER:

Scattered rains over Central India conducive for crop growth.

TECHNICALS: -

A short body hollow candlestick with relatively long lower shadow shows predominant buying support at lower levels. The MACD is flat in negative region. Stochastic has made a bearish crossover in neutral region while RSI managed to recover slightly in neutral region. Volumes increased and open interest declined. Prices would open steady to firm and trade range bound.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	1523	1530	1544	1556	1564

Trade Recommendation:

SELL NCDEX September Soybean contract near 1546 with target T1 at 1541 and T2 at 1535. Put SL at 1552.

SPOT MARKET PRICES: -

Markets	Market	17.08.07	16.08.07	Change	Arrivals (Bags)
Indore	Plant	1530	1540-1560	-30	20,000-22,000
Indore	Mandi	1450-1470	1450-1500	-30	
Maharashtra	Plant	1570	1615	-45	8,000
Maharashtra	Mandi	1500-1520	1560-1580	-60	
Kota	Plant	1500-1510	1530-1535	-25	4000- 5000
Kota	Mandi	1450	1480-1500	-50	

MUSTARD

SPOT MARKETS:

The daily arrivals across spot markets stood steady at previous day's levels of 25,000 bags. The daily arrivals of mustard seeds in Delhi and Alwar improved by 300 and 200 bags to 1500 and 800 bags respectively. Continued weakness in prices of edible oils and oilseeds dragged down the domestic prices of mustard seeds, expeller oil and rapeseed/mustard DOC and oil cakes for the second consecutive day. By end of week, slightly improved arrivals continued to mount pressure on prices of seeds. Prices of condition seeds and non-condition seeds softened by Rs 25-30/qtt and Rs 15-20/qtt respectively. Weak global cues kept the mustard seeds prices across domestic exchanges almost weak. Expeller oil followed the suit managing to stay steady to weak in Mumbai while softening across spot markets in Rajasthan. Subdued sentiments for mustard complex are likely to prevail in short term until renewed buying picks off later.

FUTURES MARKET: -

The NCDEX Mustard seed futures slightly firm on good buying support at lower levels. The futures opened at Rs 437.4/20 Kg against previous closing level of Rs 438.3/20 Kg. Futures closed up at Rs 439/20 Kg.

PRICE DRIVERS:

1. Steady arrivals across spot markets.
2. Around 4 lakh MT of edible oils yet to be imported.
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 are unlikely to disrupt daily arrivals across spot markets.

TECHNICALS: -

A short body hollow candlestick with relatively long lower shadow shows predominant buying support at lower levels. The MACD is dipping in negative region. RSI recovered well in oversold region while Stochastic dipped further following a bearish crossover. Volumes increased and open interest declined. Prices are likely to open firm and trade range bound



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	435	436	439	444	445

Trade Recommendation:

SELL NCDEX Mustard September Futures contract near 441 with target T1 at 438, T2 near 437. Put SL at 442.

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

Markets	17.08.07	16.08.07	Change	Arrivals (Bags)
Jaipur (C)	2170	2190-2195	-25	-
Alwar(C)	2060	2075-2080	-20	1500
Delhi(C)	2170	2200	-30	700-800
Agra(C)/Katchi Ghani	2275/5175	2275/5200	0	-
Sri Ganganagar (NC)	1850	1850	0	1000-1500
Kota (NC)	1870-1890	1880-1900	-10	1000-1200

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 Thursday, the prices of shelled nuts stood at Rs 410 to 564/20 Kg. Prices of groundnut oil stood steady at Rs 782-783/10 Kg in Rajkot market on subdued market demand for edible oils and weak global cues. 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.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.