

## OILSEED DAILY

8<sup>th</sup> August 2007

### SOYBEAN

#### SPOT MARKETS:

Soybean prices crashed on second consecutive day on account of weak global cues, approaching monsoon over Central India regions and bearish export data for soymeal exports during April -July 2007. The proposal for further import of edible oils through PSU's dragged down the prices further across spot markets. Arrivals in Maharashtra improved by 4,000 bags to 9,000 bags, elsewhere it stood steady at previous day's arrivals. Prices of soymeal stood steady across domestic markets while it plunged at ports on lack of god export enquiries and weak soymeal futures at CBOT. The news of recent flood conditions in East India states has done enough damage to oilseed crops though the loss is yet to be quantified. As per SEA of India, 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.

#### FUTURES MARKET: -

The soybeans futures at NCDEX traded on lower side but with bullish undertone. The futures opened at Rs 1516.5/qrtl against previous closing of Rs 1521.5/qrtl. Futures closed down at 1534/qrtl.

#### PRICE DRIVERS:

1. Good prospects for soybean acreage and kharif production.
2. Monsoon to strike central India after 7<sup>th</sup> of August.
3. Sharp reduction in arrivals across spot markets.
4. Active buying by millers and solvent extraction plants.

#### WEATHER:

IMD indicated that a low pressure area is likely over Bay of Bengal from 9<sup>th</sup> of August, which mean a slight delay in rainfall over Central India, but intermittent rainfalls would keep crop under good health.

#### TECHNICALS: -

A long hollow body candlestick with prominent lower shadow show firmness in prices with good buying support at lower levels. The MACD is hovering in negative region. The Stochastic and RSI are moving up in oversold region possibility indicating for an immediate recovery at lower levels. Both the Volumes and open interest increased. Prices are likely to trade steady after slight firm opening.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	1524	1530	1534	1548	1556

#### Trade Recommendation:

**BUY** NCDEX September Soybean contract near 1533 with target T1 at 1536 and T2 at 1543. Put SL at 1525.

#### SPOT MARKET PRICES: -

Markets	Market	08.08.07	06.08.07	Change	Arrivals (Bags)
Indore	Plant	1500-1520	1510-1530	-10	10,000-15,000
Indore	Mandi	1450-1470	1515	-45	
Maharashtra	Plant	1530	1590	-60	9,000
Maharashtra	Mandi	1470-1500	1525-1540	-40	
Kota	Plant	1500-1510	1515-1520	-10	2,000-4000
Kota	Mandi	1450	1450-1480	-30	

## MUSTARD

### SPOT MARKETS:

The daily arrivals on Monday stood at previous day's level of 15,000 bags. However, a slight decline of 300 bags was noticed in Delhi region, elsewhere it stood at previous day's levels. Spot prices of seeds across domestic exchanges too recovered on Tuesday. The prices of mustard seeds across spot markets managed to recover previous day's loss and stood slightly firm on good buying support and dearth of ready availability of seeds across spot markets. The farmers' cooperative NAFED is not intending to sell rapeseed/mustard in open market; else it is stated to crush around 60,000 MT of rapeseed on monthly basis so as to ensure good availability of rapeseed oil at consumer end, well before arrivals of festive season ahead. As per Solvent Extractors Association of India's press release, during the period of April-July 2007, Vietnam, South Korea, Japan imported 24,975 tons, 134,825 tons and 2,500 tonnes of rapeseed meal respectively. China reduced the import from India due to better local crushing and imported only 65,175 tons of rapeseed meal during April to July 2007.

### FUTURES MARKET: -

The NCDEX Mustard seed futures traded bullish on good buying support at lower levels. The futures opened at Rs 444.7/20 Kg against previous closing level of Rs 445.9/20 Kg. Futures closed up at Rs 450.45/20 Kg.

### PRICE DRIVERS:

1. Steady sentiments for expeller oil across Rajasthan.
2. NAFED to crush seeds to ensure ready availability of rapeseed oil.
3. Steady demand from vanaspati units and processors.
4. Restricted selling from stockists.
5. Overall weakness in soy complex.

### WEATHER: -

Forecast of good rains over Rajasthan within 24 hrs may disrupt arrivals but unlikely to affect routine trading.

### TECHNICALS: -

A long hollow bodied candlestick show bullishness in prices with good recovery in prices from lower levels. The EMA and MACD show medium term bearishness. RSI and Stochastic have moved up in oversold region indicating recovery in prices. Volumes and open interest declined. Prices are likely trade on higher side after slightly steady to firm opening.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	444	446	450.45	456	458

### Trade Recommendation:

**BUY** NCDEX Mustard September Futures contract near 450 with target T1 at 452, T2 near 454. Put SL at 448.5.

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

Markets	08.08.07	06.08.07	Change	Arrivals (Bags)
Jaipur (C)	2195-2200	2190	+10	-
Alwar(C)	2110-2115	2100	+15	1500
Delhi(C)	2190	2210	-20	600-700
Agra(C)/Katchi Ghani	2300/5225	2275/5250	+25	-
Sri Ganganagar (NC)	1880	1860-1865	+15	1500
Kota (NC)	1900-1910	1890-1900	+10	1200-1500

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET: -

The agriculture minister has recently announced the groundnut sowing is completed in Andhra Pradesh. In Gujarat alone groundnut sowing is completed in 1.6 million hectares as compared to 1.5 million hectares last year whereas in South India (mainly Tamil Nadu, Andhra Pradesh and Karnataka) sowing is completed in 2 million hectares. As per government latest figures, despite slow monsoon progress groundnut sowing is rapidly completed in 3.9 million hectares as on July 27th against 3.35 million hectares last week and 3.46 million hectares last year. General weakness in oilseed and edible oil sentiments across domestic markets dragged down the prices of groundnut oil in Gujarat on Monday. In Rajkot market groundnut oil prices traded between Rs 762 per 10 kg on Tuesday. The prices of shelled nuts softened marginally to Rs 410 to 560/20 Kg. The forecast of good rains over Gujarat and Western regions is good indicator for improving present crop conditions in Saurashtra regions. **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 decreased in export of soybean meal from 685,425 tons to 491,600 tons and groundnut meal from 43,100 tons to 4,775 tons in first four months of current year due to failure of groundnut crop.**

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