

OILSEED DAILY

11th August 2007

SOYBEAN

SPOT MARKETS:

As per market observers, demand for soymeal in Maharashtra is picking up well on account of renewed buying of poultry products after recent fear of Bird Flu. Domestic soymeal prices stood steady while prices across ports witnessed a marginal hike in response to firm soymeal futures at CBOT. Weak global advices for oilseeds and edible oils prevented prices of soybean to hold the firm across spot markets. The daily arrivals declined by around 7,000 bags to 31,000 bags. Marked decline was noticed in MP and Maharashtra. Prices of soybean stood mixed across spot markets with slight firmness noticed across plants while softening across spot markets. As per recent data from state commissioner of Agriculture in Maharashtra, the Kharif oilseed sowing is completed on 11.85 million ha of land. Out of 23 lakh ha sown under soybean crop, Amravati, Nagpur, Latur, Nashik, Pune, Aurangabad and Kolhapur division occupied 44.02%, 26.65%, 12.4%, 2.8%, 2.5%, 3.98% and 7.6% of respectively.

FUTURES MARKET: -

The soybeans futures at NCDEX traded on higher side on good buying support at current price levels. The futures opened at Rs 1540/ctl against previous closing of Rs 1543/ctl. Futures closed up at 1553.5/ctl.

PRICE DRIVERS:

1. Good prospects for soybean acreage and kharif production.
2. Monsoon weakened over Central India.
3. Subdued sentiments for oilseed and veg oils.
4. Improved arrivals across spot markets.
5. Active buying by millers and solvent extraction plants.

WEATHER:

A low pressure area over Western MP has shifted to South Rajasthan and Kutch area in Gujarat. Good rains over MP were supportive for soybean growth.

TECHNICALS: -

Candlestick show firmness in prices with slight tentativeness on both the side as reflected by an upper and lower shadow of the candlestick. The MACD and EMA show medium term bearishness. Stochastic and RSI are moving up neutral region indicating firmness in prices for short term. Volumes declined and open interest increased. Prices are likely to open firm and trade on higher side.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	1538	1543	1553.5	1568	1573

Trade Recommendation:

BUY NCDEX September Soybean contract near 1551 with target T1 at 1557 and T2 at 1563. Put SL at 1547.

SPOT MARKET PRICES: -

Markets	Market	10.08.07	09.08.07	Change	Arrivals (Bags)
Indore	Plant	1530-1550	1540-1545	+5	25,000
Indore	Mandi	1460-1500	1500-1510	-10	
Maharashtra	Plant	1610	1600	+10	6,000
Maharashtra	Mandi	1560-1570	1570	0	
Kota	Plant	1530	1525-1530	0	4000
Kota	Mandi	1480-1490	1490-1500	-10	

MUSTARD

SPOT MARKETS:

During the week, the average daily arrivals declined by around 10,000 bags on consolidation in prices of oilseeds and edible oils. The arrivals on Friday stood at 15,000 to 20,000 bags. Delhi and Ganganagar witnessed a decline of 300 bags, elsewhere it stood steady at previous day's levels. Spot prices of mustard seeds softened marginally with slight firmness noticed in Delhi region. Slightly weak sentiments for soy complex prevented mustard seed prices to extend previous day's firmness. Following up, the RAP DOC local was quoted lower at Rs 5400/MT. The RAPE OIL CAKE at Mehsana was quoted at Rs 7100/MT a marginal decline of Rs 50 over previous day's prices. Prices of MUSTARD OIL CAKE at Jaipur eased down to Rs 6800/MT. The demand for seeds is likely to hold steady to slightly firm as festive demand for expeller and rapeseed oil is reported to be good.

FUTURES MARKET: -

The NCDEX Mustard seed futures traded on lower side on predominant selling interest. The futures opened at Rs 448.55/20 Kg against previous closing level of Rs 449/20 Kg. Futures closed lower at Rs 446.3/20 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.

WEATHER: --

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

TECHNICALS: -

A dark body candlestick with a prominent lower shadow show good buying support at lower levels despite predominant selling pressure. The MACD and EMA show medium term bearishness. RSI has fallen back after a recent rise while Stochastic is heading up in neutral region. Both the volumes and open interest declined. Prices are likely to open steady and trade sideways.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	440	442	446.3	452	455

Trade Recommendation:

BUY NCDEX Mustard September Futures contract near 445 with target T1 at 448, T2 near 450. Put SL at 443.

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

Markets	10.08.07	09.08.07	Change	Arrivals (Bags)
Jaipur (C)	2200	2200-2205	-5	-
Alwar(C)	2115	2115-2120	-5	1500-2000
Delhi(C)	2210	2200	+10	500
Agra(C)/Katchi Ghani	2275/5250	2275/5250	0	-
Sri Ganganagar (NC)	1880-1890	1910-1920	-30	1200
Kota (NC)	1910-1920	1930-1940	-20	1500

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

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. On account of good buying support for edible oils well before start of festive season supported spot prices for groundnut and groundnut oil in Gujarat. In Rajkot market groundnut oil prices traded at Rs 780 per 10 kg on Friday. The prices of shelled nuts stood steady at Rs 410 to 566/20 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 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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