

OILSEED DAILY

29th August 2007

SOYBEAN

SPOT MARKETS:

On Tuesday the spot markets remained closed on occasion of Raksha Bandhan. No arrivals were reported across MP, Maharashtra and Kota region in Rajasthan. Crop condition is reported to be good across central India regions where soybean crop has entered pod formation stage. Short duration varieties are on the verge of harvesting. Despite views of US soybean crop yield to gain substantially on supportive weather and good rains, soy complex surged up on fund buying support on continued dry weather prospects in South accompanied by threat of pest/disease on adverse weather situation. As a usual phenomenon, aphid population is likely to spike in South Dakota region of US. The Research team from the South Dakota State University state that aphid population is closely monitored and assessment of its threat to soybean crop is premature now.

FUTURES MARKET: -

The soybeans futures at NCDEX traded sideways with good buying support on account of tracking firm cues from CBOT. The futures opened at Rs 1516/qlt against previous closing of Rs 1511.5/qlt. Futures closed at 1517/qlt.

PRICE DRIVERS:

1. Good oilseed production prospects this season.
2. Expectation of US soybean production to increase this season.
3. Firm soy futures at CBOT on Monday.
4. No arrivals across spot markets.

WEATHER:

IMD forecast:- Monsoon rains over central India and Maharashtra to resume within 24 hrs and decrease thereafter.

TECHNICALS: -

The candlestick shows indecisiveness in market direction. The MACD has once again turned flat. The Stochastic rose above the oversold region while the RSI managed to head up after a recent downfall. Volumes declined and open interest increased marginally. Prices are likely to trade steady to weak.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	1502	1506	1517	1524	1527

Trade Recommendation:

SELL NCDEX September Soybean contract near 1517 with target T1 at 1512 and T2 at 1508. Put SL at 1521.

SPOT MARKET PRICES: -

Markets	Market	28.08.07	27.08.07	Change	Arrivals (Bags)
Indore	Plant	-	1525-1530	-	25,000
Indore	Mandi	-	1440-1470	-	
Maharashtra	Plant	-	1560-1580	-	8000
Maharashtra	Mandi	-	1520	-	
Kota	Plant	-	1500	-	3500-4000
Kota	Mandi	-	1470	-	

MUSTARD

SPOT MARKETS:

On Tuesday the spot markets remained closed on occasion of Raksha Bandhan. No arrivals were reported across Rajasthan, Delhi and Agra region. As per market observers, mustard complex is expected to track soy complex in short to medium term on collateral pressure of kharif oilseed production. Seed stocks with NAFED are lower and are unlikely to affect supply pressure across spot markets as all the stocks are diverted for crushing to replenish edible oil supplies during festive season. Mustard seed sentiments are likely to remain subdued on lack of strong fundamentals.

FUTURES MARKET: -

The NCDEX Mustard seed futures traded sideways with slight tentativeness on both directions. The futures opened at Rs 426.95/20 Kg against previous closing level of Rs 427.1 /20 Kg. Futures closed at Rs 428.2 /20 Kg.

PRICE DRIVERS:

1. No arrivals across spot markets.
2. Good oilseed production this season
3. Demand for rapeseed meal stood steady.
4. Millers intending to buy more soybeans.

WEATHER: --

Monsoon rains over East of Rajasthan unlikely to affect arrivals across spot markets.

TECHNICALS: -

Small unfilled candlestick shows narrow range bound trading. MACD dipped further into negative region. RSI is seen recovering in oversold region while Stochastic is about to dip further. Volumes and open interest declined. Prices to trade on lower side, as recovery in prices is unlikely in near term.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	420	423	428.2	430	432

Trade Recommendation:

SELL NCDEX Mustard September Futures contract near 428 with target T1 at 427, T2 near 425. Put SL at 429.

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

Markets	28.08.07	27.08.07	Change	Arrivals (Bags)
Jaipur (C)	-	2160	-	-
Alwar(C)	-	2060-2065	-	1500
Delhi(C)	-	2170	-	150
Agra(C)/Katchi Ghani	-	2270/5150	-	-
Sri Ganganagar (NC)	-	1790-1800	-	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. Markets remained closed on Tuesday on account of festive occasion of Raksha Bandhan. The prices of shelled nuts on Monday stood at Rs 410 to 548/20 Kg. Prices of groundnut oil [Monday] stood marginally lower at Rs 763-734/10 Kg in Rajkot market on subdued market demand for edible oils and weak global cues on weekend trading. 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

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.