

OILSEED DAILY

24th August 2007

SOYBEAN

SPOT MARKETS:

As per latest figures from agriculture ministry, soybeans sowing stood at 8.61 million hectares against 8.47 million hectares last week and 7.95 million hectares last year. Oilseeds were sown in 16.47 million hectares (40.70 million acres) in the season against 15.23 million ha last year. Rainfall activity over central India is likely to remain subdued till mid of next week, posing no threat to crops under flowering stage, reinforcing current season's production estimates to surpass previous years figures. With considerable decline in arrivals on Thursday, spot prices of soybean softened in MP and Maharashtra. Arrivals resumed in Rajasthan after yesterday's strike wherein arrivals kept steady at Tuesday's levels. Domestically prices of soymeal surged up on firm soymeal futures at CBOT. Traders in US opine for possibility of USDA trimming down the soybean yield estimates in forthcoming S&D report on uncertain weather conditions looming over soybean crops.

FUTURES MARKET: -

The soybeans futures at NCDEX traded sideways on lack of conviction to remain either bullish or bearish. The futures opened at Rs 1527/qttl against previous closing of Rs 1522/qttl. Futures closed up at 1530/qttl.

PRICE DRIVERS:

1. Good oilseed production prospects this season.
2. Firm soy futures at CBOT.
3. Steady demand for soymeal across domestic markets.
4. Decline in daily arrivals across spot markets.

WEATHER:

Rains over central India to remain subdued as monsoon is shifting to foothills of Himalayas.

TECHNICALS: -

The chart pattern shows narrow range bound trade with indecisiveness over market direction. The MACD is medium term bearish. The Stochastic has entered oversold region while RSI has managed to recover from oversold region following a recent rise. Volumes in and open interest declined. Prices to trade range bound after making slight firm opening.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	1512	1516	1530	1533	1538

Trade Recommendation:

SELL NCDEX September Soybean contract near 1529.3 with target T1 at 1525 and T2 at 1520. Put SL at 1531.

SPOT MARKET PRICES: -

Markets	Market	23.08.07	22.08.07	Change	Arrivals (Bags)
Indore	Plant	1525-1540	1535-1540	0	20,000-25,000
Indore	Mandi	1450-1470	1470-1500	-30	
Maharashtra	Plant	1570-1580	1590-1600	-20	6,000
Maharashtra	Mandi	1500-1530	1550	-20	
Kota	Plant	1520-1530	NA	-	4,000
Kota	Mandi	1490	NA	-	

MUSTARD

SPOT MARKETS:

The daily arrivals of mustard/rapeseed on Thursday stood at 20,000 bags; a decline of 5,000 bags over Tuesday's arrivals. Marginal arrivals were reported on Wednesday on trader's strike and heavy rains in South of Rajasthan. Alwar received 1500 bags, while Ganganagar region witnessed a hike of mere 100 bags, elsewhere it stood steady. Prices of seeds across spot markets stood firm across Jaipur, Delhi, Alwar and Agra regions while softening marginally in Sri Ganganagar region. Slight firmness noticed in soy complex was factored in for the bounce in prices of seeds. Prices of rapeseed local DOC, mustard oil cake [Jaipur] stood steady on Thursday with talks of no fresh demand likely in near term. Mustard seeds settled lower across Sirsa, Hapur and Delhi exchange on predominant selling interest. Bright prospects of oilseed production this kharif season are keeping mustard seed prices mostly subdued and would continue to pressure the prices in short to medium term.

FUTURES MARKET: -

The NCDEX Mustard seed futures traded on lower side on predominant selling pressure. The futures opened at Rs 437.5/20 Kg against previous closing level of Rs 438.0/20 Kg. Futures closed lower at Rs 436.45/20 Kg.

PRICE DRIVERS:

1. Steady arrivals across spot markets.
2. Good oilseed production this season
3. Demand for rapeseed meal stood steady.
4. Restricted selling from stockists.
5. Millers intending to buy more soybeans.

WEATHER: --

Monsoon rains have faded away from South Rajasthan regions and pose no threat to arrivals.

TECHNICALS: -

A small dark body candlestick with relatively long upper shadow shows resistance at higher levels. The MACD has dipped further in negative region. RSI has dipped further in oversold region after recent rise while Stochastic is managing to make a move above oversold region. Volumes and open interest declined. Prices would trade slightly lower after making a steady opening.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	432	434	436.45	438.3	439.6

Trade Recommendation:

SELL NCDEX Mustard September Futures contract near 436.3 with target T1 at 435.45, T2 near 434.5. Put SL at 437.

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

Markets	23.08.07	22.08.07	Change	Arrivals (Bags)
Jaipur (C)	2190-2195	2190	+5	-
Alwar(C)	2080-2090	NA	-	1500
Delhi(C)	2210	2190	+20	300
Agra(C)/Katchi Ghani	2270/5175	2250/5150	+20	-
Sri Ganganagar (NC)	1855-1860	1865-1870	-10	600-700
Kota (NC)	NA	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. The prices of shelled nuts stood at Rs 410 to 561/20 Kg. Prices of groundnut oil stood marginally lower at Rs 774/10 Kg in Rajkot market on subdued market demand for edible oils and weak global cues on Wednesday. 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

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