

## OILSEED DAILY

14<sup>th</sup> August 2007

### SOYBEAN

#### SPOT MARKETS:

Prices of soybean stood steady in MP while it softened across plants in Maharashtra and Kota. The daily arrivals across spot markets improved to 33,000 bags against previous weekend's arrivals of 25,000 bags. Marked improvement in arrivals was noticed in MP and Maharashtra. Improving demand for soymeal, good buying support for soybean from millers/processors supported soybean prices across spot markets. The prices of soymeal improved across MP and Maharashtra as processors are actively purchasing bean in good lots on good export enquiries for Indian soymeal. On supply side, the traders are slowly offloading previously stocked soybean from last kharif season. Volumes are likely to improve with approaching harvesting period. Soybean crop condition is reported to be good, however threat of heavy rains in near term may impact crop. The week would witness firm sentiments for soybean as demand for edible oil is likely to extend till this weekend.

#### FUTURES MARKET: -

The soybeans futures at NCDEX traded bullish on good buying support at current price levels. The futures opened at Rs 1555/mtl against previous closing of Rs 1554/mtl. Futures closed up at 1582/mtl.

#### PRICE DRIVERS:

1. Slightly good demand for edible oils.
2. Slightly less encouraging USDA S&D report on soybean.
3. Improving demand for soymeal.
4. Improved arrivals across spot markets.

#### WEATHER:

Scattered rains over Central India conducive for crop growth.

#### TECHNICALS: -

A long hollow candlestick shows bullishness in prices. The MACD has bottomed up in negative region. Stochastic and RSI are moving up neutral region indicating firmness in prices for short term. Both the Volumes and open interest increased. Prices are likely to open firm and extend the rally further.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	1559	1566	1582	1598	1605

#### Trade Recommendation:

**BUY** NCDEX September Soybean contract near 1580 with target T1 at 1585 and T2 at 1593. Put SL at 1574.

#### SPOT MARKET PRICES: -

Markets	Market	13.08.07	11.08.07	Change	Arrivals (Bags)
Indore	Plant	1530-1550	1540-1550	0	20,000
Indore	Mandi	1480-1500	1460-1500	0	
Maharashtra	Plant	1610-1620	1620-1630	-10	8,000
Maharashtra	Mandi	1580-1590	1570	+20	
Kota	Plant	1510-1525	1520-1530	-5	5000
Kota	Mandi	1480-1500	1460-1500	0	

## MUSTARD

### SPOT MARKETS:

The week started with a firm note. The daily arrivals on Monday stood at previous weekend's levels of 18,000-20,000 bags. In particular, Alwar and Ganganagar witnessed a decline of 500 and 200 bags respectively. Mustard seed prices across spot markets stood mostly firm except for marginal decline noticed in Delhi and Ganganagar region. The demand for rape seed oil cake and mustard expeller oil cake seems to be picking up as prices surged up marginally in tandem with prices of other oilmeals namely soymeal. Demand compression is unlikely as festive demand for rapeseed and mustard expeller oil has picked up well. Slightly firm soy complex and firm seed prices across domestic exchanges supported the firmness noticed across spot markets. Glut of edible oils across spot may cap the upside movement in mustard prices for short term.

### FUTURES MARKET: -

The NCDEX Mustard seed futures traded firm on good buying support. The futures opened at Rs 446.6/20 Kg against previous closing level of Rs 445.8/20 Kg. Futures closed up at Rs 449.4/20 Kg.

### PRICE DRIVERS:

1. Steady sentiments for expeller oil across Rajasthan.
2. NAFED to crush seeds to ensure ready availability of rapeseed oil.
3. Demand for rapeseed meal picking up well.
4. Restricted selling from stockists.

### WEATHER: --

Isolated rains over Rajasthan are unlikely to disrupt daily arrivals across spot markets.

### TECHNICALS: -

The candlestick shows firmness in prices with tentativeness in prices as indicated by both upper and lower shadow. The MACD and EMA show medium term bearishness. RSI headed up in neutral region while Stochastic has turned flat in near oversold region. Both the volumes and open interest increased. Prices are likely to open slightly weak and trade range bound unless it breaches immediate resistance at 1551-1552 levels.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	444	446	449.4	457	457

### Trade Recommendation:

**BUY** NCDEX Mustard September Futures contract near 448.5 with target T1 at 451.2, T2 near 453.3. Put SL at 447.

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

Markets	13.08.07	11.08.07	Change	Arrivals (Bags)
Jaipur (C)	2210	2190-2195	+15	-
Alwar(C)	2100-2110	2100	+10	1500
Delhi(C)	2200	2210	-10	500
Agra(C)/Katchi Ghani	2300/5250	2275/5250	+25	-
Sri Ganganagar (NC)	1865	1870-1875	-10	1000
Kota (NC)	1890-1910	1900-1910	0	1000-1500

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 Monday, the prices of shelled nuts softened marginally to Rs 410 to 563/20 Kg. Prices of groundnut oil stood at Rs 780/10 Kg in Rajkot market. Prices of groundnut oil stood steady at Rs 780/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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