

OILSEED DAILY

20th August 2007

SOYBEAN

SPOT MARKETS:

As per recent estimates [May-1 to Aug -16], the total oilseeds coverage was reported at 164.6 lakh ha, up in comparison to 152.2 lakh ha last year. The soybean was sown on 86 lakh ha of land, against 79.5 lakh ha a year earlier. Fear of credit crunch to draw away investors is now overcome by recovery in financial markets in US. Rally in energy markets and commercial buying helped soy futures at CBOT bounce back. The spill over affect was evident as domestic soybean and soymeal prices improved marginally. On Saturday, the daily arrivals were reported at 35,000 bags almost steady at previous day's levels. However market activity in Maharashtra was reported subdued on festive occasion. Plant delivery rates improved across MP and Maharashtra while spot rates remained steady at previous day's levels. Imports of edible oils and exports of soymeal are two things that would be closely tracked across marketing circles. Weather still continues to drive market sentiments in India as well as in US.

FUTURES MARKET: -

The soybeans futures at NCDEX traded sideways with predominant selling interest. The futures opened at Rs 1549/qttl against previous closing of Rs 1544/qttl. Futures closed lower at 1537/qttl.

PRICE DRIVERS:

1. Weather crucial for crop growth and production prospects.
2. Further consolidation in prices of edible oils.
3. Steady demand for soymeal across domestic markets.
4. Improved arrivals across spot markets.

WEATHER:

Scattered rains over Central India conducive for crop growth.

TECHNICALS: -

A dark candlestick with long upper shadow shows resistance at higher levels. The MACD is flat in negative region. Stochastic and RSI managed have dipped in neutral region indicating short term weakness in prices. Both the Volumes and open interest declined. Prices would trade with bearish tinge.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	1518	1522	1537	1545	1551

Trade Recommendation:

SELL NCDEX September Soybean contract near 1536 with target T1 at 1531 and T2 at 1524. Put SL at 1540.

SPOT MARKET PRICES: -

Markets	Market	18.08.07	17.08.07	Change	Arrivals (Bags)
Indore	Plant	1550	1530	+20	25,000
Indore	Mandi	1470	1450-1470	0	
Maharashtra	Plant	1590	1570	+20	6,000
Maharashtra	Mandi	1500-1520	1500-1520	0	
Kota	Plant	1510	1500-1510	0	4000
Kota	Mandi	1480	1450	+30	

MUSTARD

SPOT MARKETS:

The market activity was reported subdued on account of weekend trading and festive occasions. The daily arrivals across spot markets declined to 20,000 bags on Saturday from previous day's 25,000 bags. Delhi and Ganganagar reported a decline of 100 and 300 bags respectively. Spot prices of seed recovered in tandem with recovery in prices for major oilseeds across domestic markets. However, predominant selling interest dragged down the prices of seeds across domestic exchanges. With prospects of oilseed production firming up week on week basis, the prices are keeping a low profile until overseas advices are firm enough to recover the previous losses. Subdued sentiments for mustard complex are likely to prevail in short term until renewed buying picks up during later part of the week.

FUTURES MARKET: -

Despite slightly firm opening, the NCDEX Mustard seed futures dipped lower during later half of trading on predominant selling pressure. The futures opened at Rs 440.5/20 Kg against previous closing level of Rs 439/20 Kg. Futures closed lower at Rs 437/20 Kg.

PRICE DRIVERS:

1. Marginal decline in arrivals across spot markets.
2. Around 4 lakh MT of edible oils yet to be imported.
3. Demand for rapeseed meal stood steady.
4. Restricted selling from stockists.
5. Weak sentiments for edible oils and global cues.

WEATHER: --

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

TECHNICALS: -

A dark body candlestick with both upper and lower shadow shows predominant selling interest with slight tentativeness on both the sides. The MACD is dipping in negative region. Both the RSI and Stochastic dipped further into deep oversold regions indicating bearishness in prices with no immediate recovery seen in short term. Volumes declined and open interest increased. Prices are likely to open weak and trade on lower side.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	428	431	437	440	441

Trade Recommendation:

SELL NCDEX Mustard September Futures contract near 437 with target T1 at 434, T2 near 432. Put SL at 438.

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

Markets	18.08.07	17.08.07	Change	Arrivals (Bags)
Jaipur (C)	2180	2170	+10	-
Alwar(C)	2080-2085	2060	+25	1500
Delhi(C)	2180	2170	+10	700
Agra(C)/Katchi Ghani	2250/5200	2275/5175	+25	-
Sri Ganganagar (NC)	1865-1870	1850	+20	1200
Kota (NC)	1900	1870-1890	+10	1000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

On Saturday, the prices of shelled nuts stood at Rs 410 to 563/20 Kg. Prices of groundnut oil stood steady at Rs 782/10 Kg in Rajkot market on subdued market demand for edible oils and weak global cues. 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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