

OILSEED DAILY

1st September, 2007

SOYBEAN

SPOT MARKETS:

The recent forecast of good monsoon rains over Central India regions is good for soybean crop under pod filling stage only if rains are intermittent in nature. Continuous rains may be detrimental to production outlook for this season. On Friday, the sentiments for soy-complex stood almost steady. Prices of soybean across spot markets and plants stood at previous day's levels except for slight firmness noticed in Indore Mandi. Soymeal managed to trade slightly firm on tracking firm soybean futures at CBOT. Traders importing edible through STC and MMTC are likely to get the benefit of using 'Duty Free Credit Entitlement Certificate' for paying import duty. With Centre easing norms to ensure supply of edible oils for festive months, prices of soybean would be under continuous pressure. Presently, soybean sentiments are likely to track sentiments at BMD and CBOT as focus is more on pricing of soy and palm oil imported into the country.

FUTURES MARKET: -

The soybeans futures at NCDEX traded bullish on good buying support and firm cues at CBOT. The futures opened at Rs 1495/qlt against previous closing of Rs 1492/qlt. Futures closed at 1520/qlt.

PRICE DRIVERS:

1. Pricing of soy and palm oil vital for import preference.
2. Expectation of US soybean production to increase this season.
3. Firm soy futures at CBOT on Thursday.
4. Steady arrivals across spot markets.

WEATHER:

IMD forecast: - Rain showers over South West region of MP and Madhya Maharashtra and decrease thereafter.

TECHNICALS: -

Prices closed above the short term EMA. The chart pattern shows smart recovery in prices as seen from a long hollow candlestick. However, equal shadows on both sides reflect tentativeness. MACD is seen bottoming out in negative region. The Stochastic has made a bullish crossover while RSI headed up in neutral region. Both Volumes and open interest increased. Prices likely to plunge after steady to firm opening.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	1500	1508	1520	1532	1536

Trade Recommendation:

BUY NCDEX September Soybean contract near 1517 with target T1 at 1522 and T2 at 1527. Put SL at 1513.

SPOT MARKET PRICES: -

Markets	Market	31.08.07	30.08.07	Change	Arrivals (Bags)
Indore	Plant	1480-1510	1490-1510	0	20,000
Indore	Mandi	1440-1450	1420-1440	+10	
Maharashtra	Plant	1510	1510	0	8000
Maharashtra	Mandi	NA	NA	-	
Kota	Plant	1480-1510	1500-1510	0	3000
Kota	Mandi	1430-1460	1440-1460	0	

MUSTARD

SPOT MARKETS:

Amidst steady arrivals of 15,000 to 20,000 bags, the prices of mustard seeds softened considerably across spot markets except for Agra region where prices stood at previous days levels. On contrary, mustard seed prices across domestic exchanges firmed up considerably on tracking firm cues from overseas markets. Demand for oilmeals is steady across domestic markets with prices closely following cues from CBOT. However, sentiments for rapeseed DOC stood subdued on Friday with FAS prices softening to \$ 135/MT at Kandla port. Offtake from millers is reported to be normal. As per market observers, mustard complex is expected to track soy complex in short to medium term as collateral pressure of kharif oilseed production is imminent along with pressure of imported oils.

FUTURES MARKET: -

The NCDEX Mustard seed futures traded sideways with firm bias. The futures opened at Rs 417.5/20 Kg against previous closing level of Rs 418 /20 Kg. Futures closed at Rs 421.8/20 Kg.

PRICE DRIVERS:

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

WEATHER: --

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

TECHNICALS: -

Chart pattern shows slight firmness in prices with good buying support at lower levels as seen from lower shadow of the hollow candlestick. MACD and EMI continue to remain weak. Stochastic has dipped further into oversold region while the RSI headed up in oversold region. Both the Volumes and open interest declined. Prices likely to trade steady with weak bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	416	418	421.8	425	427

Trade Recommendation:

SELL NCDEX Mustard September Futures contract near 422 with target T1 at 420.5, T2 near 419. Put SL at 423.

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

Markets	31.08.07	30.08.07	Change	Arrivals (Bags)
Jaipur (C)	2120	2130	-10	-
Alwar(C)	2035	2040	-5	1000-1200
Delhi(C)	2100	2130	-30	Nil
Agra(C)/Katchi Ghani	2250/5150	2250/5150	0	-
Sri Ganganagar (NC)	1750-1770	1770-1775	-5	500-600
Kota (NC)	NA	1840	-	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 on Thursday stood lower at Rs 410 to 532/20 Kg. Prices of groundnut oil stood steady at Rs 748/10 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

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