



■ SOYABEAN

Sept 27, 2007

SPOT MARKETS:

Usually the monsoon weakens by second week of September but the delay in dissipation of monsoon with rain in major soybeans producing region could delay the soybeans arrivals in bulk by 1-2 week in Madhya Pradesh and Rajasthan without harming the production. As per trades source, the new soybeans is arriving with 16-22% moisture content. The COOIT (Central Organisation for Oil Industry and Trade) is expecting the soybeans production output nearly 8.6 mmt in 2007/08, which is high from 7.66 mmt last year. But traders are expecting soybeans production nearly 9.04 mmt. Wednesday, mandis witnessed improved arrivals of soybeans as mandis remained closed on Tuesday. In Madhya Pradesh, total arrivals is reports nearly 40-50,000 bags up from 15-20,000 bags on Tuesday. Plant delivery rates stood weak in MP and Kota region as demand for soymeal remained weak in ports and domestically.

FUTURES MARKET: -

The soybeans futures at NCDEX traded bearish. The October contract of soybeans futures opened at Rs 1611 per qtl against previous closing of Rs 1616 per qtl. Futures closed at 1608.5 per qtl.

PRICE DRIVERS:

1. Soybean arrivals improved in Madhya Pradesh
2. Sluggish soymeal sentiments.
3. Soybean harvest in US & India.

WEATHER:

Scattered rains over MP & MAH within 24 hrs.

TECHNICALS: -

Filled candlestick chart patterns show the gap opening with mild buying at lower level. EMA and MACD show short term firmness. RSI moving down in neutral region while stochastic remain flat in overbought region. Both volumes and open interest declined. Prices are likely to trade down with weak bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX					

Status of Price & Supply of Soybean (Rs /Qtl) [Plant: - P // Mandi: - M]

Markets	26.09.07	25.09.07	Change	Arrivals (Bags)
Indore [P]	1600-1610	1620	-10	40-50,000
Indore [M]	1430-1550	-	-	
Maharashtra [P]	1700-1730	NA	-	4,000
Maharashtra [M]	1550-1650	NA	-	
Kota [P]	1600	1600	Nil	2,000
Kota [M]	1550-1580	NA	-	

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	1611.00	1612.50	1593.00	1608.50	1616.00	-0.46
NCDEX	Nov	1602.00	1614.00	1592.50	1609.50	1617.50	-0.49
NCDEX	Dec	1635.00	1635.00	1611.50	1629.00	1638.50	-0.58



■ MUSTARD

SPOT MARKETS:

Arrivals of mustard seeds have been keeping a steady pace. The daily arrivals on Wednesday stood at previous day's levels of 15,000-18,000 bags. Arrivals improved in Ganganagar region with 100 bags. Spot prices of seeds maintained the firm tone on Wednesday and moved up as compared to last day. Weak global advices dragged down mustard seed prices NCDEX and Hapur, whereas others domestic exchanges (Delhi and Sirsa) managed to closed marginally high. Lack of strength in edible oil prices capped the upside in prices of seeds. The Centre is likely to declare MSP for Rabi crops by month end. A higher MSP for rapeseed/mustard this year may support the crop in terms of acreage and production, thereby strengthening domestic oilseed crushing keeping inflationary tendencies under check.

FUTURES MARKET: -

The NCDEX Mustard seed futures traded firm with indecision with buying support at current levels. The **October** futures of mustard seeds opened at Rs 452.50 Kg against previous closing level of Rs 453.45 Kg. Futures closed at Rs 453.05 per 20 Kg.

PRICE DRIVERS:

1. Steady arrival pressure of mustard seeds.
2. Harvest pressure of kharif oilseeds.
3. Ambitious target for Rabi mustard production.
4. Festive and marriage season demand for edible oils.

WEATHER: -

Late monsoon showers beneficial for seed sowing mid Oct.

TECHNICALS: -

Chart pattern shows indecision inclination with selling pressure at higher level. MACD is moving up in positive region. Stochastic and RSI are heading up in overbought region, indicating imminent selling pressure at higher levels. Volumes increased and open interest declined. Prices are likely to open steady with strong possibility of late corrections.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Oct	448	450	453.05	459	461

Trade Recommendation:

BUY Oct futures near 453 with T1 at 455 and T2 - 457. SL at 452.

Status of Price & Supply of Mustard (Rs /Qtl) C: Conditioned // NC: - Non-Conditioned

Markets	26.09.07	25.09.07	Change	Arrivals (Bags)
Jaipur (C)	2,200	2,180-2,200	Nil	15,000
Alwar(C)	2,125	2,100	+25	1,000
Delhi(C)	2,200-2,210	2,200-2,205	+5	700-800
Agra(C)/Katchi Ghani	2,325/5,150	2,300/5,150	+25	
Sri Ganganagar (NC)	1,850	1,840-1,850	Nil	800
Kota (NC)	-	1,950	-	-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	452.50	456.20	451.20	453.05	453.45	-0.09
NCDEX	Nov	450.00	452.00	447.80	449.30	451.05	-0.39
NCDEX	Dec	450.60	451.85	447.85	449.30	451.50	-0.58

■ GROUNDNUT ■

SPOT MARKET: -

Russian Federation has temporarily lifted curbs on import of groundnut from India for period of 4 months w.e.f 17th of September. The Federation further stated for adhering to quality and safety certification in order to facilitate smooth exports of groundnut to Russian Federation. As per first advance estimate issued by Union Ministry of Agriculture, the production of groundnut for 2007-08 is expected to touch 5.18 MMT against current year's production figure of 3.28 MMT.

Kharif groundnut crop was in late vegetative/flowering stages Karnataka, Maharashtra and Gujarat. Early sown crop in peg formation stage in Andhra Pradesh, Karnataka and Maharashtra, while sowing is tailing end in Tamil Nadu.

The prices of shelled nuts on Tuesday firmed up marginally by Rs 5/20 Kg to Rs 410 to 550/20 Kg for different grades of nuts sold in Gondal, Junagarh and Jamnagar region of Gujarat. Prices of groundnut oil stood steady at Rs 811-815/10 Kg in Rajkot market. Good nuts production is likely to impact edible oil imports scenario for the months to come ahead.

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