

OILSEED DAILY

11th Sept, 2007

SOYBEAN

SPOT MARKETS:

As per SEA of India, around 47,225 MT of soymeal was exported during August against 66,700 MT last month. A total of 1, 22,850 MT was exported during August, a decline of 17,335 MT over last month. However, with prospects of exports getting firm in ensuing months, prices of meal are likely to hold firm both at domestic markets as well as at ports on good buying support from millers. Edible oils are likely to trade steady. Plant delivery rates softened marginally in MP and Maharashtra while spot prices stood firm across MP and Rajasthan. The total arrivals varied from 30,000 to 32,000 bags. Spot markets in Maharashtra remained closed on account of festive occasion [Pola festival]. The soybean crop is expected to mature by month end with harvesting likely to pick up by first fortnight of October.

FUTURES MARKET: -

The soybeans futures at NCDEX traded tentative on lack of fresh cues from CBOT. The futures opened at Rs 1542/qrtl against previous closing of Rs 1535/qrtl. Futures closed at 1542.5/qrtl.

PRICE DRIVERS:

1. Marginal increase in daily arrivals of soybean
2. Steady to slightly firm soymeal sentiments
3. Good export enquiries for Indian soymeal.
4. Steady to weak cues for edible oils.
5. Domestically, soybean crop condition reported 'good'.

WEATHER:

IMD forecast: - Subdued rainfall over Central India regions as low pressure over central Bay of Bengal has shifted west to cat good rains over Orissa and AP states.

TECHNICALS: -

Prices closed indecisive with formation of a Doji candlestick. EMA and MACD pattern show firmness. Stochastic is moving down following a bearish crossover in oversold region while RSI is heading up towards oversold region. Volumes and open interest increased. Prices likely to trade volatile with possibility of corrections at higher levels.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - October	1529	1534	1542.50	1555	1560

Trade Recommendation:

BUY NCDEX October Soybean contract near 1542 with target T1 at 1547 and T2 at 1551. Put SL at 1537.

SPOT MARKET PRICES: -

Markets	Market	10.09.07	08.09.07	Change	Arrivals (Bags)
Indore	Plant	1550-1575	1560-1580	-5	25,000-30,000
Indore	Mandi	1490-1540	1470-1520	+20	
Maharashtra	Plant	1620	1640	-20	NA
Maharashtra	Mandi	-	1550-1580	-	
Kota	Plant	1550-1560	1550	+10	2000
Kota	Mandi	1500-1520	1500-1510	+10	

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Sept	1561.00	1575.00	1558.00	1565.5	1565.00	+0.03
NCDEX	Oct	1542.00	1550.50	1525.50	1542.50	1534.50	+0.53
NCDEX	Nov	1535.00	1551.00	1523.00	1542.00	1530.50	+0.77

MUSTARD

SPOT MARKETS:

Prices of mustard seeds stood mixed across spot markets as well as across domestic exchanges on Monday. Except for slight firmness in prices at Alwar and Ganganagar regions, prices stood steady in Jaipur and Agra region with slight softness noticed in Delhi region. Prices of mustard oil softened in Mumbai while staying steady across Rajasthan. Edible oil prices are likely to rule steady in short term keeping prices of mustard expeller oil range bound. Rapeseed exports constituted around 34% of the total oilmeals exported for month of August. A total of 1, 22,850 MT oilmeals were exported during August; month a decline of 17,335 MT over last month. For August, South Korea imported a maximum of 23,800 MT followed by Thailand at 14,850 MT.

FUTURES MARKET: -

The NCDEX Mustard seed futures traded indecisive. The futures opened at Rs 431/20 Kg against previous closing level of Rs 431/20 Kg. Futures closed at Rs 430.5/20 Kg.

PRICE DRIVERS:

1. Decline in daily arrivals on weekend trading.
2. Slightly steady sentiments for edible oils
3. Good oilseed production this season
4. Export enquiries for rapeseed DOC.
5. Millers intending to buy more soybeans.

WEATHER: -

Weather is insignificant for mustard seed sentiments except for rains during second fortnight of this month.

TECHNICALS: -

Prices closed indecisive near 18-day EMA. MACD is rising in negative region. Stochastic is rising towards oversold region while RSI dipped after a recent rise in neutral region. Both Volumes and open interest declined. Prices likely to witness stiff resistance at higher levels.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	427	428	430.50	434	435

Trade Recommendation:

BUY NCDEX Mustard September Futures contract near 430 with target T1 at 432, T2 near 433. Put SL at 429.

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

Markets	10.09.07	08.09.07	Change	Arrivals (Bags)
Jaipur (C)	2150	2150	0	-
Alwar(C)	2100	2090	+10	500-600
Delhi(C)	2160	2200	-40	500
Agra(C)/Katchi Ghani	2275/5150	2275/5150	0	-
Sri Ganganagar (NC)	1810-1815	1810	+5	500-600
Kota (NC)	-	1900	-	800

C: Conditioned

NC: Non-Conditioned

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Sept	431.0	433.70	429.00	430.50	431.20	-0.17
NCDEX	Oct	432.20	433.00	430.20	430.75	432.65	-0.44
NCDEX	Nov	434.80	435.45	432.80	433.80	435.15	-0.31

GROUNDNUT

SPOT MARKET: -

The area under groundnut cultivation has recorded a significant increase of 13.4 per cent at 50.9 lakh hectares compared with 44.9 lakh hectares during the same period. Fresh arrivals from MP and Maharashtra have started arriving in Gujarat markets building pressure on prices of shelled nuts in Gondal, Jungadh and Jamnagar districts of Gujarat. Pressure on prices of nuts was evident. With festive demand cooling off temporarily after Janamasthmi festival prices of oils have started plummeting down. The prices of shelled nuts on Monday stood steady at Rs 410 to 532/20 Kg. Prices of groundnut oil too softened marginally by Rs 4/10 Kg to Rs 772/10 Kg in Rajkot market.

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