

OILSEED DAILY

SOYBEAN

17th Sept, 2007

SPOT MARKETS:

The total arrivals of soybean across spot markets stood at around 20,000 bags, a decline of 13,000 bags over previous day's arrivals. Around 15,000 bags of old bean stock arrived in MP with additional fresh arrivals of 300 bags reported in Indore. 3000 old and 3000 fresh harvested bags of soybean arrived in Maharashtra. Arrivals for fresh harvested soybean are likely to increase steadily week on week basis. Spot prices for soybean stood firm across MP and Maharashtra except for Kota region while plant delivery rates softened marginally in MP while stood steady in Maharashtra. Sentiments for soymeal stood steady. Slight strength in soy futures at CBOT provided support to domestic soy complex, but with harvest picking up simultaneously in India and US, harvest pressure is likely to check upside in prices of beans. Conducive weather is supporting harvest of beans in Central India regions.

FUTURES MARKET: -

The soybeans futures at NCDEX traded slightly firm on tracking firm cues from soy futures at CBOT. The most active October contract of soybeans futures opened at Rs 1545 per qtl against previous closing of Rs 1543 per qtl. Futures closed at 1551 per qtl.

PRICE DRIVERS:

1. Arrivals of fresh harvested soybean in MP and Maharashtra.
2. Steady to slightly firm soymeal sentiments
3. Good export enquiries for Indian soymeal.
4. Steady to weak cues for edible oils.
5. Firm soy futures at CBOT.

WEATHER:

IMD forecast: - Subdued rainfall over Central and West Indian regions for 4-5 days.

TECHNICALS: -

Prices close indecisive for fourth consecutive day despite slight firmness in prices as seen from small hollow body candlestick with shadows on both sides. EMA and MACD pattern is showing firmness. Stochastic is moving down following a bearish crossover in overbought region while RSI is inching up near overbought region. Volumes declined and open interest increased. Prices likely to open firm but trade with weak bias on expected corrections at higher levels.



SUPPORT / RESISTANCE:

| Contract | S2 | S1 | PCP | R1 | R2 |
|-----------------|------|------|------|------|------|
| NCDEX - October | 1531 | 1538 | 1551 | 1560 | 1564 |

Trade Recommendation:

SELL NCDEX October Soybean contract near 1553 with target T1 at 1548 and T2 at 1542. Put SL at 1556.

SPOT MARKET PRICES: -

| Markets | Market | 14.09.07 | 13.09.07 | Change | Arrivals (Bags) |
|-------------|--------|-----------|-----------|--------|-----------------|
| Indore | Plant | 1570-1585 | 1585-1600 | -15 | 15,000-15,300 |
| Indore | Mandi | 1470-1540 | 1500-1520 | +20 | |
| Maharashtra | Plant | 1630-1640 | 1640 | 0 | 6,000 |
| Maharashtra | Mandi | 1550-1570 | 1550 | +20 | |
| Kota | Plant | 1550 | 1540 | +10 | 2,500-3000 |
| Kota | Mandi | 1510 | 1500-1510 | 0 | |

| Exchange | Expiry | Open | High | Low | Close | Prev Close | % Change |
|----------|--------|---------|---------|---------|---------|------------|----------|
| NCDEX | Sept | 1568.00 | 1571.00 | 1561.00 | 1566.50 | 1558.00 | +0.56 |
| NCDEX | Oct | 1545.00 | 1555.00 | 1538.00 | 1551.00 | 1538.50 | +0.81 |
| NCDEX | Nov | 1542.00 | 1557.00 | 1538.00 | 1555.00 | 1537.00 | +1.20 |

MUSTARD

SPOT MARKETS:

Based on current status of soil moisture availability, fertilizer requirements and pace of kharif oilseed coverage, the Centre has targeted the total oilseed production [Kharif & Rabi] at 299.9 lakh MT. With approaching Rabi season and sowing time for mustard/rapeseed the demand for mustard seeds is likely to pick up by month end. The total arrivals of mustard seeds on Friday declined to 15,000 bags from previous day's 18,000 to 20,000 bags. Spot prices of seeds softened marginally in Jaipur and Alwar region while holding firm in Delhi region. Prices stood steady in Agra and Ganganagar region. Lack of strength in edible oil prices couldn't lend support to seed prices either. Prices of mustard expeller oil softened marginally in Kota, Jaipur and Newai regions of Rajasthan while slight firmness was noticed in Mumbai markets.

FUTURES MARKET: -

The NCDEX Mustard seed futures traded firm on good buying support at lower levels. The most active **October** futures of mustard seeds opened at Rs 428.9 per 20 Kg against previous closing level of Rs 427.15 per 20 Kg. Futures closed at Rs 432.90 per 20 Kg.

PRICE DRIVERS:

1. Steady arrivals on weekend trading.
2. Consolidation in prices of oilseeds.
3. Good oilseed production this season
4. Export enquiries for rapeseed DOC.
5. Pressure of edible oil imports.

WEATHER: -

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

TECHNICALS: -

Chart pattern shows good recovery in prices at lower levels as seen from hollow candlestick with prominent lower shadow. MACD is moving up in negative region. Stochastic is moving down while RSI headed up in neutral region. Volumes increased and open interest declined. Prices to open firm and trade steady with weak bias.



SUPPORT / RESISTANCE:

| Contract | S2 | S1 | PCP | R1 | R2 |
|-----------------|-----|-----|--------|-----|-----|
| NCDEX - October | 426 | 428 | 432.90 | 436 | 439 |

Trade Recommendation:

SELL NCDEX Mustard September Futures contract below 434 with target T1 at 432, T2 near 430. Put SL at 435.

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

| Markets | 14.09.07 | 13.09.07 | Change | Arrivals (Bags) |
|----------------------|-----------|-----------|--------|-----------------|
| Jaipur (C) | 2120 | 2120-2130 | -10 | - |
| Alwar(C) | 2040-2050 | 2055-2060 | -10 | 700-800 |
| Delhi(C) | 2160 | 2140-2145 | +15 | 800-900 |
| Agra(C)/Katchi Ghani | 2250/5100 | 2250/5050 | 0 | - |
| Sri Ganganagar (NC) | 1790-1800 | 1790-1800 | 0 | 700-800 |
| Kota (NC) | NA | NA | - | - |

C: Conditioned

NC: Non-Conditioned

| Exchange | Expiry | Open | High | Low | Close | Prev Close | % Change |
|----------|--------|--------|--------|--------|--------|------------|----------|
| NCDEX | Sept | 426.50 | 432.05 | 425.50 | 431.95 | 424.75 | +1.61 |
| NCDEX | Oct | 428.90 | 432.95 | 427.45 | 432.90 | 426.35 | +1.54 |
| NCDEX | Nov | 429.00 | 434.80 | 428.70 | 434.55 | 427.35 | +1.67 |

GROUNDNUT

SPOT MARKET: -

The improved supplies from stockists, poor demand and lackluster trading triggered weakness in groundnut seeds and oil prices domestically. The harvesting season is nearly approaching and arrivals of new crop are likely to hit market from October onwards. Traders are expectation good production of Kharif groundnut well supported by Central Organization of Oil Industry and Trade (COOIT) figures in 1st advance estimation that highlighted groundnut seeds production is likely to remains at 46 lakh tonnes up from 35 lakh tonnes last year. Kharif groundnut crop is 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 Friday firmed up marginally to Rs 410 to 528/20 Kg for different grades of nuts. Prices of groundnut oil firmed up to Rs 776-778/10 Kg in Rajkot market on account of festive demand.

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