

OILSEED DAILY

18th Sept, 2007

SOYBEAN

SPOT MARKETS:

Spot prices of soybean stood firm. Around 20,000 bags arrived on Monday. Fresh soybean arrivals in Maharashtra and MP stood at 8,000 and 5,000 bags respectively. Soymeal prices in Maharashtra stood buoyant at Rs 12,600-13,000/MT. Confirmed threat of caterpillar attack over soybean crop in MP and news of frost like conditions over major soybean growing areas in US is seen driving up soybean prices. Suspicion over outbreak of Bird Flu in South China may undermine export sentiments for Indian soymeal. However, rising feed demand in other Asian countries may partially offset the loss. With soymeal export deals already struck with Asian countries, millers are procuring beans to meet targeted export volumes for shipments due November -December.

FUTURES MARKET: -

The soybeans futures at NCDEX traded bullish. The most active October contract of soybeans futures opened at Rs 1557 per qtl against previous closing of Rs 1551 per qtl. Futures closed at 1587.5 per qtl.

PRICE DRIVERS:

1. Arrivals of fresh harvested soybean in MP and Maharashtra.
2. Firm soymeal sentiments
3. Good export enquiries for Indian soymeal.
4. Threat of Flu in China and frost in US.

WEATHER:

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

TECHNICALS: -

Long hollow candlestick with lower shadow shows strength in prices. EMA and MACD pattern confirms the same. Stochastic turned flat while RSI headed up further in overbought region. Volumes and open interest increased. Prices likely to open firm. Correction expected at higher levels.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - October	1565	1573	1587.5	1615	1625

Trade Recommendation:

BUY NCDEX October Soybean contract near 1587 with target T1 at 1602 and T2 at 1608. Put SL at 1579.

SPOT MARKET PRICES: -

Markets	Market	17.09.07	14.09.07	Change	Arrivals (Bags)
Indore	Plant	1585	1570-1585	0	10,000
Indore	Mandi	1550	1470-1540	+10	
Maharashtra	Plant	1650	1630-1640	+10	6,000
Maharashtra	Mandi	1560	1550-1570	-10	
Kota	Plant	1560	1550	+10	2,500-3000
Kota	Mandi	1520-1530	1510	+20	

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Sept	1576.00	1595.00	1575.00	1592.00	1569.50	+1.48
NCDEX	Oct	1557.00	1588.00	1552.00	1587.00	1553.50	+2.27
NCDEX	Nov	1563.50	1592.00	1562.00	1589.00	1555.50	+2.27

MUSTARD

SPOT MARKETS:

Mustard complex gained underlying strength not only from firmness in oilseed traded across spot markets but also on account of good demand for mustard oil from vanaspati units. With higher prices offered for seeds, daily arrivals improved considerably. The total arrivals of mustard/rapeseed on Monday stood at 25,000 bags, a hike of 10,000 bags over previous weekend's arrivals. Daily arrivals in Alwar region improved by 200 bags while it declined in Delhi by 300 bags on tight supply conditions. Prices of condition seeds firmed up across major spot markets. Non-condition seeds were quoted steady at previous levels. The Union Agriculture Ministry has targeted to produce 75.2 lakh MT of rapeseed/mustard for Rabi 2007-08. Under assumption of good monsoon rains by month end sowing for Rabi mustard is expected to pick up by mid of October.

FUTURES MARKET: -

The NCDEX Mustard seed futures traded bullish. The most active **October** futures of mustard seeds opened at Rs 433 per 20 Kg against previous closing level of Rs 432.9 per 20 Kg. Futures closed at Rs 443.75 per 20 Kg.

PRICE DRIVERS:

1. Improved arrivals on Monday.
2. Firm sentiments for soy complex.
3. Ambitious target for Rabi mustard production.
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: -

Long hollow candlestick shows firmness in prices. MACD moved up further in negative region. Stochastic is moving up following a bullish crossover while RSI headed up in neutral region. Volumes increased and open interest declined. Prices to open firm with slight resistance at higher levels.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - October	439	440	443.75	450	452

Trade Recommendation:

BUY NCDEX Mustard September Futures contract near 443 with target T1 at 445, T2 near 447. Put SL at 442.

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

Markets	17.09.07	14.09.07	Change	Arrivals (Bags)
Jaipur (C)	2175-2180	2120	+60	-
Alwar(C)	2050-2070	2040-2050	+20	1000
Delhi(C)	2200	2160	+40	400-500
Agra(C)/Katchi Ghani	2250/5100	2250/5100	0	-
Sri Ganganagar (NC)	1790-1800	1790-1800	0	700-800
Kota (NC)		NA	-	-

C: Conditioned

NC: Non-Conditioned

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Sept	431.55	444.80	431.50	444.00	431.45	+2.98
NCDEX	Oct	433.00	444.50	433.00	443.75	432.70	+2.58
NCDEX	Nov	435.00	445.25	434.80	444.80	434.45	+2.40

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 expecting 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 remain at 46 lakh tonnes up from 35 lakh tonnes last year. Kharif groundnut crop is in late vegetative/flowering stages in Karnataka, Maharashtra and Gujarat. Early sown crop is in peg formation stage in Andhra Pradesh, Karnataka and Maharashtra, while sowing is tailing off in Tamil Nadu. The prices of shelled nuts on Monday firmed up marginally to Rs 410 to 538/20 Kg for different grades of nuts. Prices of groundnut oil firmed up to Rs 792-794/10 Kg in Rajkot market on account of festive demand.

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