

OILSEED DAILY

12th Sept, 2007

SOYBEAN

SPOT MARKETS:

Indore Mandi remained closed on Tuesday due to 'Amavasya' while trade activities remain suspended in rest of physical markets. Soybeans arrivals declined sharply to just 7,000-8,000 bags from 25,000-27,000 bags yesterday. This has strengthened the soybeans prices. Current soybeans crop condition is good and is expected to mature by month end with harvesting likely to pick up by first fortnight of October, under consideration of supportive weather condition. According to 1st advance estimation on Kharif oilseeds output by Central Organization of Oil Industry and Trade (COOIT), country is expecting to produce nearly 15.15 mmt of oilseeds in Kharif season, which is nearly 15% higher to last year. The soybeans crop output is likely to remain at 8.6 mmt against 7.66 mmt a year ago.

FUTURES MARKET: -

The soybeans futures at NCDEX traded mostly firm at strong physical sentiments and supportive global cues. The most active October contract of soybeans futures opened at Rs 1548 per qtl against previous closing of Rs 1540.5 per qtl. Futures closed at 1544 per qtl.

PRICE DRIVERS:

1. Sharp decline 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: -

Dark body candlesticks with upper shadow suggest strong selling pressure at higher level. EMA and MACD pattern remains firm. Stochastic is attempt for bullish crossover in neutral region while RSI is showing firmness in prices. Volumes declines and open interest increased. Prices likely to trade up with possibility of steady to slightly weak opening.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - October	1529	1534	1544	1555	1560

Trade Recommendation:

BUY NCDEX October Soybean contract near 1546 with target T1 at 1552 and T2 at 1556. Put SL at 1543.

SPOT MARKET PRICES: -

Markets	Market	11.09.07	10.09.07	Change	Arrivals (Bags)
Indore	Plant	1575-1600	1550-1575	+25	
Indore	Mandi	MC	1490-1540	-	
Maharashtra	Plant	1640	1620	+20	5,000
Maharashtra	Mandi	1600-1620	-	-	
Kota	Plant	1550-1570	1550-1560	+10	2,500
Kota	Mandi	1550-1510	1500-1520	-10	

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Sept	1572.00	1578.00	1556.50	1563.00	1565.50	-0.16
NCDEX	Oct	1548.00	1556.00	1539.00	1544.00	1540.50	+0.23
NCDEX	Nov	1546.00	1558.00	1540.00	1544.00	1541.50	+0.17

MUSTARD

SPOT MARKETS:

Spot prices of both condition and non-condition seeds firmed up in most of trading centres except Alwar, where price declined on poor demand and improved arrivals despite bearish tone in domestic exchanges. Slight firmness in prices of mustard expeller oil, mustard Kacchi Ghani oil and rapeseed oil in Rajasthan and Mumbai regions provided support to prices of seeds. The daily arrivals on Tuesday stood at around 3,500-4,000 bags, increased by nearly 1,000 bags. Millers continued to offtake seeds on regular basis. Demand for rapeseed meal/mustard oil cake is holding steady. As per trade source, the land preparation has been begin for early sown Toria crop. 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 dull with strong selling pressure. The most active **September** futures of mustard seeds opened at Rs 429.15 per 20 Kg against previous closing level of Rs 430.35 per 20 Kg. Futures closed at Rs 429.40 per 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 between 9-days and 18-day EMA indicates short-term firmness. MACD is rising slowly in negative region. Stochastic is rising towards overbought region while RSI is falling in neutral region. Both Volumes and open interest decline. Prices likely to witness stiff resistance at higher levels.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	426	427	429.40	434	435

Trade Recommendation:

BUY NCDEX Mustard September Futures contract near 429 with target T1 at 431, T2 near 432. Put SL at 428.

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

Markets	11.09.07	10.09.07	Change	Arrivals (Bags)
Jaipur (C)	2170	2150	+20	-
Alwar(C)	2060	2100	-40	1,500
Delhi(C)	2170	2160	+10	800
Agra(C)/Katchi Ghani	2275/5175	2275/5150	+25	-
Sri Ganganagar (NC)	1850	1810-1815	+35	1,500
Kota (NC)	-	-	-	-

C: Conditioned

NC: Non-Conditioned

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Sept	429.15	432.00	428.60	429.40	430.35	-0.23
NCDEX	Oct	430.15	433.00	428.60	429.15	430.75	-0.37
NCDEX	Nov	434.50	435.40	430.50	430.90	433.65	-0.64

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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