

# OILSEED

Agriwatch  
DAILY

## ■ SOYABEAN

■ Sept 29, 2007

### SPOT MARKETS:

Delay in sowing of beans in South America and good export demand for US soybean is supporting the firmness for soy-complex across CBOT. Firm global cues and strength in soymeal prices across domestic markets [Rs 12,700/MT, Indore] and at ports [Rs 13,500/MT, Kandla] provided support to prices of soybeans across spot markets. Spot prices stood firm on Friday despite huge arrival pressure of 1, 20, 000 bags as millers continued to offtake beans in bulk for meeting export commitments and rising feed demand domestically. Reports of withdrawal of monsoon within 4-5 days would facilitate arrivals and pressure spot prices of beans simultaneously. With demand for fresh beans unlikely to remain subdued prices are likely to stay steady to slightly firm until harvest pressure mounts considerably on spot prices.

### FUTURES MARKET: -

The soybeans futures at NCDEX traded slightly firm with good resistance at higher levels. The October contract of soybeans futures opened at Rs 1650 per qtl against previous closing of Rs 1645 per qtl. Futures closed up at 1653.0 per qtl.

### PRICE DRIVERS:

1. Marked increase in arrivals of beans.
2. Firm soymeal sentiments.
3. Soybean harvest in US & India.
4. World soybean output to decline.

### WEATHER:

IMD estimates good kharif crop production this year on account of above normal rainfall distribution this year. Monsoon rains to withdraw in 4 to 5 days.

### TECHNICALS: -

Shooting star pattern shows signs of bearish reversal. EMA and MACD show medium term firmness. RSI moved up while stochastic is seen moving down steadily from overbought region. Volumes declined and open interest increased. Prices are likely to open steady with possibility of late technical corrections.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-	1600	1600	1650	1660	1670

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

Markets	28.09.07	27.09.07	Change	Arrivals (Bags)
Indore [P]	1650	1610-1620	+30	80,000
Indore [M]	1535-1600	1480-1550	+50	
Maharashtra [P]	1710	1700	+10	40,000
Maharashtra [M]	1450-1550	-	-	
Kota [P]	1660	1610-1620	+40	5,000
Kota [M]	1625	1600-1610	+15	

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	1650.00	1668.00	1646.00	1653.00	1636.50	+1.02
NCDEX	Nov	1644.00	1665.00	1643.00	1649.00	1634.00	+0.93
NCDEX	Dec	1666.00	1683.00	1663.50	1668.00	1654.00	+0.85



## ■ MUSTARD

### SPOT MARKETS:

Prices of mustard seeds stood mixed on Friday. Prices firmed up in Agra & Shri Ganganagar, softened in Alwar and was quoted steady across Jaipur and Delhi regions. Improving prices of rape seed DOC and mustard expeller oil cake provided slight support to prices of seeds. Mustard seed prices across domestic exchanges consolidated to settle lower on Friday. Prices of expeller oil stood steady in Rajasthan while it firmed up marginally in Mumbai region tracking firm global cues. The daily arrivals on Friday stood at 20,000 bags, a hike of 5,000 bags over previous day's arrivals. Delhi, Ganganagar and Alwar region witnessed a hike of around 300, 400 and 100 bags respectively. With monsoon rains weakening over North West, sowing operation of mustard/rapeseed are likely to pick up on time.

### FUTURES MARKET: -

The NCDEX Mustard seed futures traded on higher side with weak bias. The **October** futures of mustard seeds opened at Rs 458.75 Kg against previous closing level of Rs 456.95 Kg. Futures closed at Rs 455.3 per 20 Kg.

### PRICE DRIVERS:

1. NAFED to import more edible oils.
2. Improved arrivals on Friday.
3. Sowing demand for mustard seed.
4. Festive and marriage season demand for edible oils.

### WEATHER: -

As per IMD, monsoon rains over North West regions of India are likely to withdraw in 4 to 5 days.

### TECHNICALS: -

Formation of dark candlestick with equal shadows shows tentativeness on both sides. MACD and EMA pattern shows medium term firmness. Stochastic is seen moving down following bearish crossover in overbought region and RSI dipped lower to neutral region. Volumes and open interest increased. Prices are likely to open lower and trade steady with possibility of late corrections.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Oct	444	447	455.3	458	460

### Trade Recommendation:

**SELL** Oct futures near 455 with T1 at 452 and T2 - 449. SL at 457.

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

Markets	28.09.07	27.09.07	Change	Arrivals (Bags)
Jaipur (C)	2200	2190-2200	0	
Alwar(C)	2110-2120	2130-2135	-15	1100-1200
Delhi(C)	2200	2200	0	1000
Agra(C)/Katchi Ghani	2350/5175	2300/5150	+50	
Sri Ganganagar (NC)	1870-1875	1865-1870	+5	1100-1200
Kota (NC)	-	-		-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	458.75	460.25	453.85	455.30	456.80	-0.33
NCDEX	Nov	454.70	457.60	451.65	452.40	453.70	-0.29
NCDEX	Dec	455.00	456.95	451.00	451.60	453.25	-0.37

## ■ GROUNDNUT ■

## SPOT MARKET: -

Current rains are found beneficial for groundnut crop in terms of increasing yield prospects as stated by spokesperson from SEA of India. Traders expect that groundnut production could touch levels of 48-49 lakh MT, a hike of around 13-15 lakh MT. However, first advance estimate by Ministry of Agriculture holds groundnut production estimate at 51.8 lakh MT.

The prices of shelled nuts on Thursday firmed up marginally 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 softened marginally tot Rs 813-814/10 Kg in Rajkot market. Good nuts production is likely to impact edible oil imports scenario for the months to come ahead.

Russian Federation has temporarily lifted curbs on import of groundnut from India for period of 4 months w.e.f 17<sup>th</sup> of September. The Federation further stated for adhering to quality and safety certification in order to facilitate smooth exports of groundnut to Russian Federation.

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