

OILSEED DAILY

SOYBEAN

13th Sept, 2007

SPOT MARKETS:

Soybean crop in Central Indian region has entered maturity stage and harvest is likely to pick up by month end. Rainy weather in US has delayed harvest of soybean; however picking is already underway across major soybean growing regions. Domestically, soybean arrivals resumed in MP as markets remained closed yesterday on account of Amavasya. The total arrivals across spot markets stood at 33,000 bags with MP registering maximum arrivals of 22,000 to 25,000 bags. Tracking mixed global cues, the prices of soybean were quoted lower across spot markets. Steady sentiments for soymeal and soy oil couldn't support prices of beans. Lower carry forward stocks of soybean in US coupled with lower soybean output in China is strengthening prospects for Indian soymeal exports to South Asian countries.

FUTURES MARKET: -

The soybeans futures at NCDEX traded weak on tracing mixed cues from CBOT. The most active October contract of soybeans futures opened at Rs 1548 per qtl against previous closing of Rs 1544 per qtl. Futures closed at 1546 per qtl.

PRICE DRIVERS:

1. US soybean production to register an increase over last months estimates.
2. Steady to slightly firm soymeal sentiments
3. Good export enquiries for Indian soymeal.
4. Steady to weak cues for edible oils.
5. Mixed cues for soy futures at CBOT.

WEATHER:

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

TECHNICALS: -

Formation of small dark body candlestick with prominent upper shadow show narrow range bound trade activity with large selling interest. MACD pattern is showing firmness. Both Stochastic and RSI are rising in overbought region. Volumes declined and open interest increased. Prices likely to open weak and trade with bearish bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - October	1538	1540	1546	1550	1552

Trade Recommendation:

SELL NCDEX October Soybean contract near 1546 with target T1 at 1544 and T2 at 1542. Put SL at 1547.

SPOT MARKET PRICES: -

Markets	Market	12.09.07	11.09.07	Change	Arrivals (Bags)
Indore	Plant	1585	1575-1600	-15	22,000-25,000
Indore	Mandi	1475-1510	MC	-	
Maharashtra	Plant	1610-1620	1640	-20	5,000
Maharashtra	Mandi	1540-1550	1550-1580	-30	
Kota	Plant	1550-1560	1550-1570	-10	2,500-3000
Kota	Mandi	1510	1550-1510	0	

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Sept	1569.00	1573.50	1565.00	1568.00	1562.00	+0.39
NCDEX	Oct	1548.00	1554.00	1545.00	1546.00	1542.00	+0.26
NCDEX	Nov	1547.00	1552.50	1542.50	1544.00	1541.50	+0.17

MUSTARD

SPOT MARKETS:

Mustard seed sentiments stood weak on Wednesday. Mustard seed prices settled lower across spot markets and domestic exchanges on slight consolidation in prices for oilseeds traded across the states. The market expects the whole sale arrival pressure to decline steadily month on month basis. The daily arrivals of seeds across spot markets stood steady at previous day's levels of 18,000 to 20,000 bags. Pressure of good oilseed production in Rajasthan and other states is already weighing on prices. Good rains and higher coverage of Kharif oilseeds this season is likely to provide good grounds for rapeseed/mustard production for Rabi season.

FUTURES MARKET: -

The NCDEX Mustard seed futures traded dull on strong selling pressure. The most active **October** futures of mustard seeds opened at Rs 430 per 20 Kg against previous closing level of Rs 429.15 per 20 Kg. Futures closed at Rs 424.7 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: -

Prices settled weak on strong selling interest as seen on formation of long dark candlestick with prominent upper shadow. MACD is turning flat in negative region. Both Stochastic and RSI have dipped in neutral region indicating short term weakness. Volumes and open interest increased. Prices to open steady and trade with weak bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - October	416	419	424.7	429	431

Trade Recommendation:

SELL NCDEX Mustard September Futures contract near 425 with target T1 at 423, T2 near 420. Put SL at 427.

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

Markets	12.09.07	11.09.07	Change	Arrivals (Bags)
Jaipur (C)	2145	2170	-25	-
Alwar(C)	2050	2060	-10	600-700
Delhi(C)	2160-2170	2170	0	800-900
Agra(C)/Katchi Ghani	2250/5150	2275/5175	-25	-
Sri Ganganagar (NC)	1820	1850	-30	400-500
Kota (NC)	-	-	-	-

C: Conditioned

NC: Non-Conditioned

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Sept	429.60	430.95	424.50	424.60	429.10	-1.07
NCDEX	Oct	430.00	431.50	424.50	424.70	429.00	-1.00
NCDEX	Nov	431.20	433.00	424.50	425.50	431.00	-1.27

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 530/20 Kg. Prices of groundnut oil too softened considerably to Rs 760/10 Kg in Rajkot market.

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