

OILSEED DAILY

4th September, 2007

SOYBEAN

SPOT MARKETS:

As per recent data from Dept of Agriculture and Cooperation, the wholesale arrivals for soybean for Aug stood at 22,706 MT, a decline of 35,470 MT over the preceding month. The daily arrivals improved by around 5,000 bags to 43,000 bags on Monday. Prices of soybean stood firm across MP and Kota region. Plant delivery rates in Maharashtra stood steady at previous weekend's levels. However soymeal prices stood slight firm in Maharashtra while staying steady across markets in MP. Strength in edible oil sentiments provided support to prices of soybean. However, approaching harvest season for soybean is likely to mount pressure on prices of soybean despite festive demand gathering pace across spot markets. Soybean harvesting in US was reported to have started off in South region and would pick up further pace this month. Hot and dry weather were attributed for early maturity and harvest of crops.

FUTURES MARKET: -

The soybeans futures at NCDEX traded slightly firm on good buying support. The futures opened at Rs 1523/qrtl against previous closing of Rs 1525/qrtl. Futures closed at 1526/qrtl.

PRICE DRIVERS:

1. Marked decline in wholesale arrivals m-o-m basis.
2. Steady sentiments for oil meal trade.
3. Slightly firm cues for edible oils in domestic and overseas markets.
4. Steady arrivals across spot markets.

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: -

The candlestick shows narrow range bound trading with predominant buying support. Prices closed above 9 day EMA showing short-term strength. MACD is moving up following a bullish crossover in negative region. Both Stochastic and RSI headed up in neutral region. Both the Volumes and open interest increased. Prices likely to open slightly firm and trade range bound.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	1516	1519	1526	1536	1544

Trade Recommendation:

BUY NCDEX September Soybean contract near 1525 with target T1 at 1529 and T2 at 1533. Put SL at 1523.

SPOT MARKET PRICES: -

Markets	Market	03.09.07	01.09.07	Change	Arrivals (Bags)
Indore	Plant	1500-1530	1510-1520	+10	30,000
Indore	Mandi	1440-1470	1440-1450	+20	
Maharashtra	Plant	1550	1510-1550	0	NA
Maharashtra	Mandi	NA	NA	-	
Kota	Plant	1480-1510	1480-1500	+10	3000
Kota	Mandi	1410-1430	1420-1430	0	

MUSTARD

SPOT MARKETS:

Arrivals of mustard seeds across spot markets have tapered in past two months. As per recent data from Dept of Agriculture and Cooperation, wholesale arrivals for Aug stood at 80,617 MT against 1,29,349 MT for July. Uttar Pradesh witnessed maximum arrivals of 44,031 MT followed by Rajasthan at 18,674 MT. Daily arrivals on Monday stood at 20,000 bags. Alwar saw improvement of 500 bags over previous weekend's arrivals. Except for Alwar and Agra regions; spot prices for mustard seeds extended previous day's firmness. Mustard seed prices settled firm across domestic exchanges in tandem with spot markets. Slight strength in edible oil sentiments supported the prices today. However prices of rapeseed/mustard cake stood steady to slightly weak. Slight firm cues for edible oils in overseas markets and festive demand support would support prices in short term.

FUTURES MARKET: -

The NCDEX Mustard seed futures traded firm on good buying support at lower levels. The futures opened at Rs 424/20 Kg against previous closing level of Rs 424.75/20 Kg. Futures closed at Rs 428.6/20 Kg.

PRICE DRIVERS:

1. Steady arrivals across spot markets.
2. Slightly firm sentiments for edible oils
3. Good oilseed production this season
4. Demand for rapeseed meal stood steady.
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: -

Chart pattern shows good recovery in prices with slight resistance at higher levels as seen from the upper shadow of the candlestick. Prices closed above 9-day EMA. MACD is seen bottoming out. Stochastic and RSI headed up in neutral region. Volumes increased and open interest declined. Prices likely to open steady and trade firm during later half of trading session.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	423	425	428.6	434	436

Trade Recommendation:

BUY NCDEX Mustard September Futures contract near 428 with target T1 at 430, T2 near 433. Put SL at 427.

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

Markets	03.09.07	01.09.07	Change	Arrivals (Bags)
Jaipur (C)	2160	2135-2140	+20	-
Alwar(C)	2060	2060	0	1000-1500
Delhi(C)	2160	2130	+30	400-500
Agra(C)/Katchi Ghani	2250/5100	2250/5100	0	-
Sri Ganganagar (NC)	1800	1775-1780	+20	500
Kota (NC)	1920-1930	-	-	NA

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

The area under groundnut crop has increased by around 15-16% this season. Traders expect that prices of edible oils are not going to flare up sharply as imports and reduction of duty are already keeping prices under check. The prices of shelled nuts on Monday stood steady at Rs 410 to 532/20 Kg. Prices of groundnut oil too stayed at previous weekend's levels of Rs 766/10 Kg in Rajkot market on improving sentiments for oilseeds and edible oils across domestic markets. Early sown groundnut is in early vegetative/vegetative stages across major groundnut producing regions while sowing is continuing in Tamil Nadu and in parts of Karnataka. As per government latest figures groundnut sowing is completed in close to 5 million hectares as on August 17th vs 4.84 million hectares last week and 4.34 million hectares a year ago

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