

OILSEED DAILY

SOYBEAN

14th Sept, 2007

SPOT MARKETS:

As per APMC, the daily average arrivals of soybean during Sept for MP stood at 29.01 MT against 17.4 MT last month & 41.72 MT for September 2006. For Maharashtra it stood at 8.56 MT against 4.82 MT last month and 5.28 MT last Sept. In Rajasthan, the daily arrivals stood at 15.31 MT against 12.93 MT last month and 27.69 MT last Sept. Fresh arrivals of soybean in MP was quoted at Rs 1531/qrtl. Spot prices of soybean stood firm in MP with plant delivery rates holding firm across MP and Maharashtra. Bullish soy futures at CBOT provided strength to domestic soy complex. USDA pegged the world soybean output at 221.27 MMT against 221.62 MMT last month with US soybean production pegged at 71.27 MMT against 71.45 MMT last month. Indian soymeal production pegged at 5.44 MMT against 5.41 MMT last month. With harvest picking up in Indian and US, pressure on prices of beans is inevitable despite talks of lower production in US and good domestic support for soymeal exports.

FUTURES MARKET: -

The soybeans futures at NCDEX traded indecisive with weak bias. The most active October contract of soybeans futures opened at Rs 1549 per qtl against previous closing of Rs 1546 per qtl. Futures closed at 1543 per qtl.

PRICE DRIVERS:

1. Lower estimate for soybean output in US.
2. Steady to slightly firm soymeal sentiments
3. Good export enquiries for Indian soymeal.
4. Steady to weak cues for edible oils.
5. Firm soy futures at CBOT.

WEATHER:

IMD forecast: - Subdued rainfall over Central and West

TECHNICALS: -

Formation of small dark body candlestick with equal shadows on both sides shows tentativeness in prices with weak bias. MACD pattern is showing firmness. Stochastic is hovering in overbought region while RSI dipped lower from near-oversold region. Volumes and open interest increased. Prices likely to open firm but would trade with bearish tinge.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - October	1521	1527	1543.0	1552	1555

Trade Recommendation:

SELL NCDEX October Soybean contract near 1545 with target T1 at 1537 and T2 at 1532. Put SL at 1548.

SPOT MARKET PRICES: -

Markets	Market	13.09.07	12.09.07	Change	Arrivals (Bags)
Indore	Plant	1585-1600	1585	+15	22,000-25,000
Indore	Mandi	1500-1520	1475-1510	+10	
Maharashtra	Plant	1640	1610-1620	+20	6,000
Maharashtra	Mandi	1550	1540-1550	0	
Kota	Plant	1540	1550-1560	-20	2,500-3000
Kota	Mandi	1500-1510	1510	0	

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Sept	1574.00	1578.00	1554.00	1564.50	1566.50	-0.13
NCDEX	Oct	1549.00	1559.00	1529.50	1543.00	1546.00	-0.20
NCDEX	Nov	1550.00	1558.00	1529.00	1540.50	1544.00	0.22

MUSTARD

SPOT MARKETS:

As per APMC, the average daily arrivals of Mustard seeds in Rajasthan for Sept [Till date] 2007 stood at 17.8 MT against 19.83 MT last month and 31.88 MT last Sept. In UP, average stood at 23.34 MT against 36.57 MT last month and 30.02 MT last Sept. Haryana reported an average of 1.74 MT for Sept 2007 against 4.09 MT last month and 4.23 MT last Sept. Spot prices of seeds stood mixed with slight firmness noticed in Alwar region while prices settled weak across other spot markets. Lack luster trade for mustard expeller oil couldn't provide support to seed prices. Expeller oil prices softened marginally in Mumbai while it continued to trade steady across Rajasthan with occasional firmness noticed in Delhi. Arrivals stood at previous day's levels of 15,000 to 20,000 bags. With soybean harvest picking up in Central India regions, prices of mustard seeds are likely to stay weak in near term.

FUTURES MARKET: -

The NCDEX Mustard seed futures traded on lower side with slight indecisiveness over market direction. The most active **October** futures of mustard seeds opened at Rs 426.8 per 20 Kg against previous closing level of Rs 424.7 per 20 Kg. Futures closed at Rs 427.15 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 closed indecisive for fourth consecutive day. MACD is slowly turning flat in negative region. Stochastic is moving down in neutral region while RSI headed up after recent dip. Volumes and open interest declined. Prices to trade with weak bias after steady to firm opening.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - October	422	423	427.15	430	431

Trade Recommendation:

SELL NCDEX Mustard September Futures contract below 428 with target T1 at 426, T2 near 424. Put SL at 429.

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

Markets	13.09.07	12.09.07	Change	Arrivals (Bags)
Jaipur (C)	2120-2130	2145	-15	-
Alwar(C)	2055-2060	2050	+10	600-700
Delhi(C)	2140-2145	2160-2170	-25	800-900
Agra(C)/Katchi Ghani	2250/5050	2250/5150	0	-
Sri Ganganagar (NC)	1790-1800	1820	-20	700-800
Kota (NC)	NA	-	-	-

C: Conditioned

NC: Non-Conditioned

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Sept	425.25	426.20	422.20	426.00	425.50	+0.12
NCDEX	Oct	426.80	428.00	423.90	427.15	425.45	+0.40
NCDEX	Nov	425.95	428.70	424.20	428.25	425.70	+0.59

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 Thursday firmed up marginally to Rs 410 to 534/20 Kg for different grades of nuts. Prices of groundnut oil stood at Rs 764-765/10 Kg in Rajkot market.

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