

OILSEED

Agriwatch
DAILY

■ SOYABEAN

■ Sept 20, 2007

SPOT MARKETS:

The total soybean arrivals on Wednesday stood at around 30,000 bags, a decline of 10,000 bags over previous day's arrivals. Rain in Maharashtra is said to have disrupted supplies in few regions. Fresh soybean arrivals in MP and Maharashtra stood at 2000 and 4000 bags. Spot prices of soybean continue to hold firm while plant delivery rates stood steady. Soymeal prices continued to hold firm on good domestic demand and slightly firm global cues. Incidence of blue beetle, leaf eating caterpillar and leaf roller in MP and Maharashtra is reported to be under threshold levels indicating for minimal damage to production prospects. Late monsoon showers are crucial for correctly estimating the overall production of soybean.

FUTURES MARKET: -

The soybeans futures at NCDEX traded weak. The most active October contract of soybeans futures opened at Rs 1586 per qtl against previous closing of Rs 1588 per qtl. Futures closed at 1578.5 per qtl.

PRICE DRIVERS:

1. Arrivals of fresh harvested soybean in MP and Maharashtra.
2. Firm soymeal sentiments
3. Good export enquiries for Indian soymeal.
4. Threat of Flu in China and frost in US.

WEATHER:

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

TECHNICALS: -

Chart pattern shows corrections in prices at higher levels. EMA and MACD show medium term firmness. RSI dipped after recent rise while Stochastic headed up further into overbought region. Volumes and open interest declined. Prices are likely to open weak and trade with weak bias.



SUPPORT / RESISTANCE:

| Contract | S2 | S1 | PCP | R1 | R2 |
|----------|----|----|-----|----|----|
|----------|----|----|-----|----|----|

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

| Markets | 19.09.07 | 18.09.07 | Change | Arrivals (Bags) |
|-----------------|-----------|-----------|--------|-----------------|
| Indore [P] | 1595-1605 | 1580-1600 | +5 | 20,000 |
| Indore [M] | 1400-1480 | 1450-1470 | +10 | |
| Maharashtra [P] | 1650 | 1650 | 0 | 6,000 |
| Maharashtra [M] | NA | 1375-1500 | - | |
| Kota [P] | 1590-1600 | 1600 | 0 | 3,500-5000 |
| Kota [M] | 1540 | 1520-1535 | +5 | |

| Exchange | Expiry | Open | High | Low | Close | Prev Close | % Change |
|----------|--------|---------|---------|---------|---------|------------|----------|
| NCDEX | Sept | 1603.00 | 1603.00 | 1586.00 | 1586.00 | 1602.50 | -1.09 |
| NCDEX | Oct | 1586.00 | 1586.00 | 1572.00 | 1578.50 | 1589.00 | -0.70 |
| NCDEX | Nov | 1585.00 | 1587.00 | 1571.00 | 1577.00 | 1587.50 | -0.70 |



■ MUSTARD

SPOT MARKETS:

Harvest of kharif oilseeds is seen mounting pressure on prices of mustard seeds. Spot prices of both condition and non-condition seeds softened considerably on Wednesday. However, prices across domestic exchanges stood slightly firm on buying support. The total arrivals stood at previous day's levels of 15,000 bags, with marginal hike of 300 bags noticed in Alwar and Delhi regions. For the forthcoming Rabi season, late monsoon showers are crucial not only for good sowing but also retaining soil moisture for extended period of germination. Toria/ Indian rapeseed sowing has already begun in parts of UP and is picking up in North Indian states as well. The crop is a short duration variety with cropping period of 70-100 days.

FUTURES MARKET: -

The NCDEX Mustard seed futures traded on lower side with slight firmness on buying support at lower levels. The **October** futures of mustard seeds opened at Rs 444.2 per 20 Kg against previous closing level of Rs 442.35 Kg. Futures closed at Rs 443.5 per 20 Kg.

PRICE DRIVERS:

1. Steady arrival pressure.
2. Harvest pressure of kharif oilseeds.
3. Ambitious target for Rabi mustard production.
4. Pressure of edible oil imports.

WEATHER: -

Weather is insignificant for mustard seed sentiments except for rains during second fortnight of this month.

TECHNICALS: -

A small hollow body candlestick with prominent upper shadow shows resistance at higher levels. MACD & EMA pattern reflects medium term firmness. Stochastic has entered overbought region while RSI continue to rise in neutral region. Volumes and open interest declined. Prices are likely to trade weak. Late corrections likely.



SUPPORT / RESISTANCE:

| Contract | S2 | S1 | PCP | R1 | R2 |
|-----------|-----|-----|-------|-----|-----|
| NCDEX-Oct | 435 | 436 | 443.5 | 445 | 446 |

Trade Recommendation:

SELL Oct futures near 443 with T1 at 440 and T2 - 438. SL at 444.

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

| Markets | 19.09.07 | 18.09.07 | Change | Arrivals (Bags) |
|----------------------|-----------|-----------|--------|-----------------|
| Jaipur (C) | 2165 | 2180 | -15 | - |
| Alwar(C) | 2060-2065 | 2090-2100 | -45 | 1000-1300 |
| Delhi(C) | 2185 | 2210 | -25 | 600-800 |
| Agra(C)/Katchi Ghani | 2280/5150 | 2300/5150 | -20 | - |
| Sri Ganganagar (NC) | 1830-1835 | 1855-1860 | -25 | 600 |
| Kota (NC) | - | - | - | - |

| Exchange | Expiry | Open | High | Low | Close | Prev Close | % Change |
|----------|--------|--------|--------|--------|--------|------------|----------|
| NCDEX | Sept | 446.20 | 453.60 | 446.00 | 451.00 | 447.80 | +0.76 |
| NCDEX | Oct | 441.20 | 447.20 | 440.20 | 443.50 | 442.35 | +0.27 |
| NCDEX | Nov | 441.50 | 447.75 | 440.85 | 443.95 | 442.40 | +0.36 |

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■ GROUNDNUT

COMMODITIES RESEARCH

SPOT MARKET: -

The summer grown groundnut crop production is expected to touch 25 lakh MT this year against 12 lakh MT last year on account of timely rains. Kharif groundnut crop was in late vegetative/flowering stages Karnataka, Maharashtra and Gujarat. Early sown crop in peg formation stage in Andhra Pradesh, Karnataka and Maharashtra, while sowing is tailing end in Tamil Nadu. The prices of shelled nuts on Wednesday stood firm at Rs 410 to 541/20 Kg for different grades of nuts sold in Gondal, Junagarh and Jamnagar region of Gujarat. Prices of groundnut oil firmed up to Rs 800-801/10 Kg in Rajkot market on account of good buying support for upcoming festive season and tight supply conditions. Good nuts production is likely to impact edible oil imports scenario for the months to come ahead.

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