

OILSEED DAILY

8th Sept, 2007

SOYBEAN

SPOT MARKETS:

Sentiments for soy-complex remained subdued on Friday. Spot prices of soybean stood steady in MP while softening considerably across Maharashtra regions. The daily arrivals stood at around 28,000 bags, a decline of 8,000 bags over previous day's arrivals. Soymeal prices settled slightly lower at ports on tracking weak cues from soy futures at CBOT while domestically soymeal traded steady with prices staying range bound. Premature harvesting of soybean in US is already mounting pressure on prices of soybean. Domestically, soybean harvest is yet to pick up; but prices continue to consolidate on supportive weather and soil conditions for standing soybean crops. Traders in US await fresh cues from USDA's monthly report slated to be released next Wednesday. Soybean is likely to trade with subdued market sentiments in short to medium term.

FUTURES MARKET: -

The soybeans futures at NCDEX traded on lower side with good buying support. The futures opened at Rs 1549/qttl against previous closing of Rs 1550/qttl. Futures closed at 1557/qttl.

PRICE DRIVERS:

1. Decline in daily arrivals of soybean
2. Steady to slightly firm soymeal sentiments
3. Steady to weak cues for edible oils.
4. Domestically, soybean crop condition reported 'good'.

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: -

Formation of small hollow candlestick with equal shadows on both sides reflects tentativeness in prices. EMA and MACD pattern show slight firmness. Stochastic is on verge of making bearish crossover in oversold region oversold region while RSI moved up after recent dip. Both Volumes & open interest declined. Prices likely to trade steady with bearish bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	1535	1543	1557	1566	1571

Trade Recommendation:

SELL NCDEX September Soybean contract near 1558 with target T1 at 1551 and T2 at 1546. Put SL at 1562.

SPOT MARKET PRICES: -

Markets	Market	07.09.07	06.09.07	Change	Arrivals (Bags)
Indore	Plant	1550-1570	1550-1570	0	20,000-22,000
Indore	Mandi	1470-1510	1470-1510	0	
Maharashtra	Plant	1570-1610	1650	-40	5,000-6000
Maharashtra	Mandi	1550-1570	1570-1610	-40	
Kota	Plant	1525-1530	1530-1535	-5	2,500-3,000
Kota	Mandi	1480	1450-1470	+10	

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Sept	1549.00	1562.00	1541.50	1557.00	1552.00	+0.33
NCDEX	Oct	1528.00	1536.00	1521.00	1532.50	1534.50	-0.13
NCDEX	Nov	1526.00	1533.50	1518.00	1529.5	1530.00	-0.03

MUSTARD

SPOT MARKETS:

Prices of mustard seeds continued to settle lower mid week onwards on tracking weak cues for edible oils and subdued sentiments for soy-complex. Mustard seed prices settled weak across spot markets and domestic exchanges on Friday. Prices were quoted steady in Alwar and Agra region with daily arrivals declining to 15,000 bags from previous day's 20,000 bags. Lack of strength in edible oils couldn't provide support to prices of seeds across spot markets. Both rapeseed and mustard expeller oil were quoted lower across major markets in Rajasthan and Mumbai region in tandem with prices of soy oil. Globally, edible oil prices are consolidating and the spill over affect on Indian markets was evident. Sentiments across mustard complex are likely to follow soy complex as both are under pressure from global advices and approaching harvesting period for Kharif oilseeds.

FUTURES MARKET: -

The NCDEX Mustard seed futures continued to trade n lower side but bounced back during second half on good buying support. The futures opened at Rs 424.15/20 Kg against previous closing level of Rs 424.95/20 Kg. Futures closed at Rs 426.85/20 Kg.

PRICE DRIVERS:

1. Steady arrivals across spot markets.
2. Slightly steady 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: -

Prices traded with slight firmness as seen from small hollow body of the candlestick with prominent lower shadow. MACD is rising in negative region. Stochastic and RSI headed up in neutral region. Volumes and open interest declined. Prices likely to trade steady to weak after slight firm opening.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	419	422	426.85	429.5	431

Trade Recommendation:

SELL NCDEX Mustard September Futures contract near 427.5 with target T1 at 425, T2 near 423.5. Put SL at 428.5.

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

Markets	07.09.07	06.09.07	Change	Arrivals (Bags)
Jaipur (C)	2145-2150	2165	-15	-
Alwar(C)	2060-2065	2060-2065	0	600-700
Delhi(C)	2190	2190-2200	-10	600
Agra(C)/Katchi Ghani	2300/5175	2300/5175	0	-
Sri Ganganagar (NC)	1780	1810-1815	-35	400-500
Kota (NC)	1880	1890-1900	-20	800

C: Conditioned

NC: Non-Conditioned

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Sept	424.15	427.30	422.50	426.85	424.65	+0.52
NCDEX	Oct	430.10	431.30	427.50	430.80	430.15	+0.15
NCDEX	Nov	433.80	435.25	431.40	43.85	434.15	+0.16

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 stood steady at Rs 410 to 536/20 Kg. Prices of groundnut oil too softened marginally by Rs 2/10 Kg to Rs 778/10 Kg in Rajkot market.

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