

## OILSEED DAILY

7<sup>th</sup> Sept, 2007

### SOYBEAN

#### SPOT MARKETS:

Sentiments for soy complex stood mixed on Thursday. Despite weak cues for soymeal and soybean futures at CBOT, domestic soymeal prices managed to trade firm; not only on account of improving domestic demand but on good export enquiries for Indian soymeal from South Asian countries. Soybean prices stood firm in Maharashtra and Kota region while it softened marginally in MP. Arrivals stood steady at previous day's levels of 38,000 bags. Lack of strength in edible oil prices is likely to keep soy complex sentiments subdued. As per IMD, rains over Central India and South Peninsula regions during last month were recorded at 730.4 mm, which is 2% higher than normal. The moisture status of soils is good to support soybean crop in pod setting stage and subdued rainfall activity over soybean growing regions is unlikely to affect soybean production in near term.

#### FUTURES MARKET: -

The soybeans futures at NCDEX traded sideways with bearish tinge. The futures opened at Rs 1569/qrtl against previous closing of Rs 1568/qrtl. Futures closed at 1550.5/qrtl.

#### PRICE DRIVERS:

1. Steady arrival pressure
2. Firm sentiments for oil meal trade.
3. Steady edible oils sentiments in domestic markets.
4. 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: -

Prices couldn't extend previous gains and settled lower on profit booking; as seen from dark candlestick formation. MACD is showing slight firmness. Stochastic is rising in oversold region while RSI dipped lower after recent rise. Both Volumes & open interest declined. Prices likely to trade with bearish bias.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	1535	1539	1550.50	1554	1560

#### Trade Recommendation:

**SELL** NCDEX September Soybean contract near 1549 with target T1 at 1545 and T2 at 1541. Put SL at 1552.

#### SPOT MARKET PRICES: -

Markets	Market	06.09.07	05.09.07	Change	Arrivals (Bags)
Indore	Plant	1550-1570	1560-1580	-10	30,000
Indore	Mandi	1470-1510	1470-1520	-10	
Maharashtra	Plant	1650	1640	+10	5,000
Maharashtra	Mandi	1570-1610	1530-1560	+50	
Kota	Plant	1530-1535	1525-1530	+5	3,000
Kota	Mandi	1450-1470	-	-	

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Sept	1569.00	1569.00	1550.00	1550.50	1569.00	-1.18
NCDEX	Oct	1542.50	1547.00	1531.00	1533.00	1550.00	-1.14
NCDEX	Nov	1542.00	1542.50	1527.00	1529.00	1550.00	-1.40

## MUSTARD

### SPOT MARKETS:

Amidst steady arrival pressure of 15,000 to 20,000 bags, prices of mustard seeds softened across major spot markets except for slight firmness noticed in Delhi and Agra region on tight stock position of seeds across UP, Haryana and Delhi regions. Arrivals in Kota stood at 1,000 bags, slightly higher by 500 bags over Ganganagar region, elsewhere it stood at previous day's levels. Mustard seed prices settled considerably lower across domestic exchanges on tracking weak cues from soy-complex. Fear of sharp correction in soy oil domestically and palm oil in overseas markets is likely to be reflected well across mustard complex. Psychologically, seed and oil prices are under pressure well before actual harvest of oilseed picks up across the states.

### FUTURES MARKET: -

The NCDEX Mustard seed futures traded on lower side with bearish bias. The futures opened at Rs 427.15/20 Kg against previous closing level of Rs 427.6/20 Kg. Futures closed at Rs 424.95/20 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 continued to trade weak on predominant selling interest as seen from a close below the short term EMA. MACD is rising in negative region. Stochastic too is rising while RSI has dipped lower after recent rise. Volumes and open interest declined. Prices likely to trade on lower side.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	419	421	424.95	428	429

### Trade Recommendation:

**SELL** NCDEX Mustard September Futures contract near 425.5 with target T1 at 424, T2 near 422. Put SL at 426.5.

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

Markets	06.09.07	05.09.07	Change	Arrivals (Bags)
Jaipur (C)	2165	2170	-5	-
Alwar(C)	2060-2065	2075-2080	-15	600-700
Delhi(C)	2190-2200	2190	+10	600
Agra(C)/Katchi Ghani	2300/5175	2275/5150	+25	-
Sri Ganganagar (NC)	1810-1815	1830	-15	500
Kota (NC)	1890-1900	1940	-40	1000

C: Conditioned

NC: Non-Conditioned

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Sept	427.15	427.40	423.55	424.95	427.60	-0.62
NCDEX	Oct	433.20	433.90	429.45	430.45	433.95	-0.82
NCDEX	Nov	438.00	438.00	433.20	434.05	438.20	-0.96

## GROUNDNUT

### SPOT MARKET: -

The area under groundnut crop has increased by around 15-16% this season. The prices of shelled nuts on Thursday stood steady at Rs 410 to 532/20 Kg. Prices of groundnut oil too firmed up marginally to Rs 780/10 Kg in Rajkot market. 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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