

OILSEED DAILY

5th Sept, 2007

SOYBEAN

SPOT MARKETS:

CBOT remained closed on Monday on account of Labour holiday. Better coverage for oilseeds for current season has been attributed to higher edible oil prices in domestic and overseas markets. Prices of soybean and soymeal both firmed up on Tuesday on tracking slight firmness in prices of edible oils and good export prospects for Indian soymeal. The FOR prices of soymeal at Kandla port stood at Rs 11,900-12,000/MT. Indian exporters have signed contracts [FAS- \$ 280-290/MT] for exporting around 4 to 5 lakh MT of soymeal for delivery during Nov -Dec. Consequently, plant deliv4ry rates firmed up. Spot markets in MP and Maharashtra remained closed for Janamasthmi. Kota market remained open today. No arrivals were reported except for around 3000 bags in Kota region. The upside movement in prices is likely to be short lived as approaching harvest pressure and good imports of edible oils would mount pressure on prices of soybean.

FUTURES MARKET: -

The soybeans futures at NCDEX traded firm on good buying support. The futures opened at Rs 1529/ctl against previous closing of Rs 1526/ctl. Futures closed at 1537/ctl.

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. No arrivals across major 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: -

Prices closed above 9/18 day EMA indicating slight firmness in prices. MACD is moving up following a bullish crossover Both Stochastic and RSI headed up further in neutral region. Volumes increased and open interest declined. Slight resistance at higher levels likely to limit the upside, prices to trade slightly firm.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	1525	1529	1537	1549	1553

Trade Recommendation:

BUY NCDEX September Soybean contract near 1536 with target T1 at 1540 and T2 at 1546. Put SL at 1533.

SPOT MARKET PRICES: -

Markets	Market	04.09.07	03.09.07	Change	Arrivals (Bags)
Indore	Plant	1540-1545	1500-1530	+15	-
Indore	Mandi	-	1440-1470	-	
Maharashtra	Plant	1600	1550	+50	-
Maharashtra	Mandi	-	NA	-	
Kota	Plant	1510-1520	1480-1510	+10	3000
Kota	Mandi	1450-1470	1410-1430	+40	

MUSTARD

SPOT MARKETS:

Spot prices of both condition and non-condition seeds firmed up on second consecutive day. Prices of seeds across domestic exchanges too followed the suit. Prices of edible oils have recovered marginally with festive demand picking up pace. Slight firmness in prices of mustard expeller oil, mustard Kacchi Ghani oil and rapeseed oil in Rajasthan and Mumbai regions provided support to prices of seeds. The daily arrivals on Tuesday stood at around 15,000 bags, a decline of around 5,000 bags over previous day's arrivals. Alwar and Delhi region witnessed decline of around 700 and 100 bags respectively. Millers continued to offtake seeds on regular basis. Demand for rapeseed meal/mustard oil cake is holding steady. On weather front, good monsoon rains by end of September are conducive for mustard seed sowing as it conserves enough moisture for rainfed mustard seeds.

FUTURES MARKET: -

The NCDEX Mustard seed futures traded sideways with bearish bias. The futures opened at Rs 428.95/20 Kg against previous closing level of Rs 428.6/20 Kg. Futures closed at Rs 427.7/20 Kg.

PRICE DRIVERS:

1. Decline in 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: -

Formation of a small dark body with long upper and lower shadow shows tentativeness in prices with bearish bias. Prices closed above 9-day EMA. MACD was on verge of making bullish crossover in negative region. Stochastic is rising while RSI moved down after recent rise. Volumes and open interest declined. Prices likely to open slightly weak and trade with bearish bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	424	425	427.7	432	433

Trade Recommendation:

BUY NCDEX Mustard September Futures contract near 427 with target T1 at 429, T2 near 431. Put SL at 426.

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

Markets	04.09.07	03.09.07	Change	Arrivals (Bags)
Jaipur (C)	2170	2160	+10	-
Alwar(C)	2080-2085	2060	+25	500-600
Delhi(C)	2170-2175	2160	+15	200-300
Agra(C)/Katchi Ghani	2275/5150	2250/5100	+25	-
Sri Ganganagar (NC)	1825-1830	1800	+30	500-700
Kota (NC)	1940-1950	1920-1930	+20	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 Tuesday 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. 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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