

## OILSEED DAILY

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

### SOYBEAN

#### SPOT MARKETS:

Arrivals for soybean seeds from Sangli region is picking up pace, with local millers being the major buyers. Newly harvested beans were quoted at Rs 1450-1540/qttl in Maharashtra region. Old bean stocks are being sold at Rs 1530-1560/qttl. Plant delivery rates for soybean stood firm for 3<sup>rd</sup> consecutive day on tracking firm cues from CBOT. With China intending to purchase 1, 00,000 MT of soy meal in addition to 50,000 MT already purchased from India, soy meal prices found good support in domestic markets and at ports. Around 38,000 bags arrived on Wednesday, with spot markets in Kota reported to be closed. Firmness in prices is expected to short lived as prices may soften on reacting to approaching harvest season and glut of imported oils.

#### FUTURES MARKET: -

The soybeans futures at NCDEX traded bullish on good buying support and firm CBOT. The futures opened at Rs 1540/qttl against previous closing of Rs 1537/qttl. Futures closed at 1568/qttl.

#### PRICE DRIVERS:

1. Normal arrivals resumed in MP and Maharashtra.
2. Firm sentiments for oil meal trade.
3. Steady edible oils sentiments in domestic markets.
4. No arrivals across Rajasthan 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 traded bullish; facing good resistance at higher levels as seen from prominent upper shadow of the long hollow candlestick. MACD is showing firmness. Stochastic has entered oversold region while RSI is on verge of entering. Volumes increased and open interest declined. Upside likely to be capped, prices to trade volatile.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	1552	1556	1568	1580	1583

#### Trade Recommendation:

**BUY** NCDEX September Soybean contract near 1566 with target T1 at 1572 and T2 at 1576. Put SL at 1562.

#### SPOT MARKET PRICES: -

Markets	Market	05.09.07	04.09.07	Change	Arrivals (Bags)
Indore	Plant	1560-1580	1540-1545	+35	30,000
Indore	Mandi	1470-1520	-	-	
Maharashtra	Plant	1640	1600	+40	5,000
Maharashtra	Mandi	1530-1560	-	-	
Kota	Plant	1525-1530	1510-1520	+10	-
Kota	Mandi	-	1450-1470	-	

## MUSTARD

### SPOT MARKETS:

Spot market sentiments stood steady on Wednesday. Except for slight firmness noticed in Delhi region, the prices of mustard seeds stood steady across spot markets in Rajasthan, as few of the markets were reported to be closed the day after Janamasthmi. However, slight firmness in prices was noticed across domestic exchanges on tracking firm cues for soybean in domestic and overseas markets. The daily arrivals stood at previous days levels of 15,000 bags. The market expects the arrival pressure to stay steady with volumes of bags staying range bound at 15,000 to 25,000 bags. Mustard complex is likely to trade steady in short term until fresh demand for sowing seeds picks up in later half of the month.

### FUTURES MARKET: -

The NCDEX Mustard seed futures traded sideways with bearish bias. The futures opened at Rs 427.9/20 Kg against previous closing level of Rs 427.6/20 Kg. Futures closed at Rs 427.6/20 Kg.

### PRICE DRIVERS:

1. Steady 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: -

Prices closed indecisive for second consecutive day on profit taking. Prices managed to close between 9/18-day EMA. MACD is moving up following a bullish crossover in negative region. Stochastic is rising while RSI has turned flat in neutral region. Volumes and open interest declined. Prices likely to open weak and trade with bearish bias.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	423	424	427.6	430	431

### Trade Recommendation:

**SELL** NCDEX Mustard September Futures contract near 428.6 with target T1 at 426.6, T2 near 425. Put SL at 429.5.

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

Markets	05.09.07	04.09.07	Change	Arrivals (Bags)
Jaipur (C)	2170	2170	0	-
Alwar(C)	2075-2080	2080-2085	-5	1000
Delhi(C)	2190	2170-2175	+15	700
Agra(C)/Katchi Ghani	2275/5150	2275/5150	0	-
Sri Ganganagar (NC)	1830	1825-1830	0	NA
Kota (NC)	1940-1950	1940-1950	0	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

### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.