

OILSEED

Agriwatch
DAILY

■ SOYABEAN

■ Sept 22, 2007

SPOT MARKETS:

Domestic soy-complex sentiments stood firm on Friday. News that China is likely to reduce import duty on soybean from 3% to 1% was seen as factor underpinning soybean prices in US. The ripple affect was evident on Indian markets. The daily arrivals stood at previous day's levels of 23,000 to 25,000 bags. Fresh lots of beans stood at 15,000-18,000 bags. Spot prices and plant delivery rates stood firm. Domestic soymeal prices firmed up by Rs 300/MT to 12,400/MT [Indore]. Soymeal prices stood buoyant in Maharashtra at 13,200-13,500/MT. Harvest pressure of soybean; both in India and US is seen picking up pace and likely to mount pressure on prices. Moreover, depleting old stocks of beans against fresh lots of beans is seen to suppress prices in near future on account of higher moisture content.

FUTURES MARKET: -

The soybeans futures at NCDEX traded bullish on tracking firm cues from CBOT. The October contract of soybeans futures opened at Rs 1605 per qtl against previous closing of Rs 1597.5 per qtl. Futures closed at 1638.50 per qtl.

PRICE DRIVERS:

1. Arrivals of fresh beans in MP & MH.
2. Firm soymeal sentiments
3. Good export enquiries for Indian soymeal.
4. Soybean harvest in US & India.

WEATHER:

Monsoon showers over Central India and MH within 3 days: - .IMD.

TECHNICALS: -

Prices gapped up to mark fresh highs after forming Marubozu candlestick. EMA and MACD show medium term firmness. RSI and Stochastic headed up further into overbought region indicating vulnerability to corrections. Volumes increased and open interest declined. Prices are likely to open firm and witness possible corrections lower.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
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Status of Price & Supply of Soybean (Rs /Qtl) [Plant: - P // Mandi: - M]

Markets	21.09.07	20.09.07	Change	Arrivals (Bags)
Indore [P]	1620	1580-1600	+20	15,000-17,000
Indore [M]	1500-1550	1460-1520	+30	
Maharashtra [P]	1680	1650	+30	3,000-4,000
Maharashtra [M]	NA	1500-1600	-	
Kota [P]	1630	1580-1590	+40	3,500-4000
Kota [M]	1550	1540	+10	

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	1605.00	1639.00	1605.00	1638.50	1595.00	+2.91
NCDEX	Nov	1599.00	1636.50	1599.00	1636.50	1592.50	+2.94
NCDEX	Dec	1617.00	1654.00	1617.00	1654.00	1611.00	+2.83



■ MUSTARD

SPOT MARKETS:

Spot prices of mustard seeds stood weak on Friday. However, prices in Alwar and Ganganagar region stood steady at previous day's levels. On contrary, mustard seed prices across domestic exchanges stood firm on global cues and firmness in soy complex. The daily arrivals across spot markets stood at 15,000 to 18,000 bags, a marginal of around 3,000 bags over previous day's arrivals. Alwar, Delhi and Ganganagar region witnessed a hike of 200,100 and 100 bags respectively. With IMD, forecasting for monsoon showers to hit North West India regions within 3-4 days prospects of timely sowing of mustard/rapeseed gets further strengthened. Studies have indicated that timely sowing has direct correlation with production prospects. Availability of adequate moisture and favorable weather would ensure better seed coverage this season.

FUTURES MARKET: -

The NCDEX Mustard seed futures traded sideways with firm bias. The **October** futures of mustard seeds opened at Rs 439.85 Kg against previous closing level of Rs 438.4 Kg. Futures closed at Rs 447.0 per 20 Kg.

PRICE DRIVERS:

1. Improved 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: -

Prices recovered well on buying support forming a Morubozu candlestick. MACD & EMA show medium term firmness. Stochastic made a bearish crossover in overbought region while RSI headed up after recent dip in neutral region. Volumes increased and open interest declined. Prices are likely to open firm and trade with weak bias on expected technical correction.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Oct	442	444	447.0	456	458

Trade Recommendation:

BUY Oct futures near 447 with T1 at 452 and T2 - 454. SL at 446.

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

Markets	21.09.07	20.09.07	Change	Arrivals (Bags)
Jaipur (C)	2155-2160	2160-2170	-10	-
Alwar(C)	2060-2065	2060-2065	0	900-1000
Delhi(C)	2180-2190	2190-2200	-10	500-600
Agra(C)/Katchi Ghani	2290/5150	2300/5150	-10	-
Sri Ganganagar (NC)	1835-1840	1835-1840	0	600-700
Kota (NC)		-		-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct						
NCDEX	Nov						
NCDEX	Dec						

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■ GROUNDNUT ■

COMMODITIES RESEARCH

SPOT MARKET: -

Russian Federation has temporarily lifted curbs on import of groundnut from India for period of 4 months w.e.f 17th of September. The Federation further stated for adhering to quality and safety certification in order to facilitate smooth exports of groundnut to Russian Federation. As per first advance estimate issued by Union Ministry of Agriculture, the production of groundnut for 2007-08 is expected to touch 5.18 MMT against current year's production figure of 3.28 MMT.

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 Friday firmed up marginally by Rs 1-2/20 Kg to Rs 410 to 543/20 Kg for different grades of nuts sold in Gondal, Junagarh and Jamnagar region of Gujarat. Prices of groundnut oil stood steady at Rs 800-802/10 Kg in Rajkot market on steady market sentiments. Good nuts production is likely to impact edible oil imports scenario for the months to come ahead.

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