

## OILSEED DAILY

3<sup>rd</sup> September, 2007

### SOYBEAN

#### SPOT MARKETS:

As per latest data from ministry of Agriculture, the total oilseed coverage for current Kharif season stands at 170.15 lakh ha against 156.42 lakh ha last year [Data as on August 30, 2007]. With soybean covering around 87.24 lakh ha against 79.86 lakh ha last year, it occupies more than 51% of the total oilseed coverage this year. On weather front, IMD predicted that rainfall activity over Central India regions is likely to remain subdued for 4-5 days which is unlikely to harm soybean crop under pod filling stage. Across spot markets, marginal arrivals were reported from Maharashtra as most of the markets remained closed on weekend trading. Elsewhere arrivals stood steady at previous levels. With slight firmness noticed in plant delivery rates for soybean in MP and Maharashtra, prices of soymeal too firmed up in tandem. However, market sentiments for soybean in Kota region remained subdued on Saturday. At CBOT, soy futures settled mixed on Friday with slight firmness noticed in soy oil on reports of lower stocks for July against the preceding month. Concern over weather and yield estimates continues to affect market sentiments.

#### FUTURES MARKET: -

The soybeans futures at NCDEX traded firm on good buying support despite mixed cues from CBOT. The futures opened at Rs 1520/qlt against previous closing of Rs 1520/qlt. Futures closed at 1525/qlt.

#### PRICE DRIVERS:

1. Pricing of soy and palm oil vital for import preference.
2. Expectation of US soybean production to increase this season.
3. Mixed soy futures at CBOT on Thursday.
4. Steady arrivals across 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: -

The candlestick shows slight firmness in prices amidst good buying support as seen from lower shadow of the candlestick. MACD is moving up following a bullish crossover in negative region. Both Stochastic and RSI headed up in neutral region. Volumes declined and open interest increased. Prices likely to trade steady after opening slightly firm.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	1512	1515	1525	1538	1543

#### Trade Recommendation:

**BUY** NCDEX September Soybean contract near 1524 with target T1 at 1531 and T2 at 1535. Put SL at 1519.

#### SPOT MARKET PRICES: -

Markets	Market	01.09.07	31.08.07	Change	Arrivals (Bags)
Indore	Plant	1510-1520	1480-1510	+10	20,000
Indore	Mandi	1440-1450	1440-1450	0	
Maharashtra	Plant	1510-1550	1510	+40	NA
Maharashtra	Mandi	NA	NA	-	
Kota	Plant	1480-1500	1480-1510	-10	3000
Kota	Mandi	1420-1430	1430-1460	-30	

## MUSTARD

### SPOT MARKETS:

Despite weekend trading, daily arrivals stood steady at previous day's levels of around 20,000 bags. Tracking firm cues from overseas markets, mustard seed prices settled up across domestic exchanges. Spot prices of mustard seeds recovered across domestic markets. Demand for oilmeals is reported to be steady. However, sentiments for rapeseeds stood steady on weekend trading with FAS prices quoted at previous day's levels of \$ 135/MT at Kandla port. Offtake from millers is reported to be normal. With oilseeds covering around 170.15 lakh ha of land as on Aug 30, production outlook seems to be strengthening and weighing over prices of oilseeds. On weather front, good monsoon rains during second half of September is believed to be beneficial for Rabi crops as it provide enough moisture for seeds sown during this period. Mustard seed sowing is likely to be benefited if above condition holds good.

### FUTURES MARKET: -

The NCDEX Mustard seed futures traded firm on good buying support at lower levels. The futures opened at Rs 421.95/20 Kg against previous closing level of Rs 421.8/20 Kg. Futures closed at Rs 424.75/20 Kg.

### PRICE DRIVERS:

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

Monsoon rains over South and East of Rajasthan; unlikely to affect arrivals across spot markets.

### TECHNICALS: -

Prices closed near the session high indicating firmness in prices. Buying support imminent as seen from prominent lower shadow of the candlestick. MACD is seen bottoming out. Stochastic is moving up following a bullish crossover while RSI headed up in neutral region. Both the Volumes and open interest declined. Prices likely to trade steady with weak bias.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - September	420	422	424.75	430	432

### Trade Recommendation:

**BUY** NCDEX Mustard September Futures contract near 424.5 with target T1 at 426.5, T2 near 428. Put SL at 423.

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

Markets	01.09.07	31.08.07	Change	Arrivals (Bags)
Jaipur (C)	2135-2140	2120	+20	-
Alwar(C)	2060	2035	+25	1000
Delhi(C)	2130	2100	+30	600
Agra(C)/Katchi Ghani	2250/5100	2250/5150	0	-
Sri Ganganagar (NC)	1775-1780	1750-1770	+10	700-800
Kota (NC)		NA	-	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 Saturday stood firm at Rs 410 to 540/20 Kg. Prices of groundnut oil firmed up to Rs 766/10 Kg in Rajkot market on improving sentiments for oilseeds and edible oils across domestic markets. 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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