

# OILSEED

Agriwatch  
DAILY

## ■ SOYABEAN

Oct 03, 2007

### SPOT MARKETS:

Huge supply pressure of fresh soybean across spot markets, lack of strength in prices of edible oils and weak sentiments for soymeal across spot markets kept the prices of beans and edible oils subdued. Spot prices and plant delivery rates for soybean stood weak on Monday. Prices of soy oil softened on tracking weak global advices. The total arrivals on Monday stood at 3, 20,000-3, 25,000 bags, a hike of 1, 70,000 bags over previous weekend's arrivals. Marked increase in arrivals was noticed in MP [2, 50,000 bags] followed by Maharashtra at 70,000 bags. With monsoon withdrawing slowly from Central India region, supply pressure is likely to weigh over prices of beans. Parallel harvest of beans in US would drag prices of bean lower despite firm sentiments for oilmeals across the globe.

### FUTURES MARKET: -

The soybeans futures at NCDEX traded weak on predominant selling interest. The October contract of soybeans futures opened at Rs 1621 per qtl against previous closing of Rs 1627 per qtl. Futures closed down at 1608.0 per qtl.

### PRICE DRIVERS:

1. Marked increase in arrivals of beans.
2. Steady soymeal sentiments.
3. Soybean harvest in US & India.
4. World soybean output to decline.

### WEATHER:

Monsoon rains to withdraw in 1-2 days. Harvest pressure to increase steadily.

### TECHNICALS: -

Prices gapped down forming a dark candlestick with some buying support imminent at lower levels as seen from prominent lower shadow and a close above the 18 day EMA. MACD is seen dipping in positive region. RSI and stochastic are seen moving down steadily in neutral region. Volumes increased and open interest declined. Prices are likely to open steady and trade with weak bias.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-	1598	1592	1608	1615	1620

### Status of Price & Supply of Soybean (Rs /Qtl) [Plant: - P // Mandi: - M]

Markets	01.10.07	29.09.07	Change	Arrivals (Bags)
Indore [P]	1550-1600	1630	-30	2,50,000
Indore [M]	1450-1550	1450-1560	-10	
Maharashtra [P]	1640	1650	-10	70,000
Maharashtra [M]	1450-1500	1500-1525	-25	
Kota [P]	1600	1630	-30	6,000
Kota [M]	1580	1590-1610	-30	

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	1621.00	1621.00	1593.50	1608.00	1626.50	-1.14
NCDEX	Nov	1617.00	1617.00	1593.50	1610.00	1625.00	-0.93
NCDEX	Dec	1640.00	1640.00	1612.50	1631.50	1646.00	-0.88



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## ■ MUSTARD

### SPOT MARKETS:

Mustard seed prices settled weak across spot markets as well across domestic exchanges on pressure of kharif oilseed harvest, weak global cues and subdued sentiments across domestic soy complex. However, prices of non-condition seeds stood firm on Monday on limited seed stocks and higher prices for seeds with better oil content [38-39%]. The total arrival on Monday varied from 15,000 to 20,000 bags, a hike of 5,000 bags over previous weekend arrivals. With monsoon rains withdrawing from North West, dry conditions are likely to prevail this fortnight providing suitable ground for timely sowing operations which in turn would support sowing demand for mustard/rapeseed. Prices of rapeseed DOC stood firm on Monday on improving demand for oilmeals and are likely to stay range bound in short to medium term.

### FUTURES MARKET: -

The NCDEX Mustard seed futures traded sideways with firm bias. The **October** futures of mustard seeds opened at Rs 455 per 20 Kg against previous closing level of Rs 457.05/20 Kg. Futures closed at Rs 449.85 per 20 Kg.

### PRICE DRIVERS:

1. NAFED to import more edible oils.
2. Improved arrivals on Monday.
3. Sowing demand for mustard seed.
4. Festive and marriage season demand for edible oils.

### WEATHER: -

As per IMD, monsoon rains over North West regions of India are withdrawing in day or two.

### TECHNICALS: -

Chart pattern shows follow through weakness in prices. MACD and EMA pattern shows medium term firmness. RSI dipped sharply in neutral region while Stochastic is seen moving down steadily in overbought region. Volumes increased and open interest declined. Prices are likely to open steady and trade with weak bias with slight recovery later on good buying support at lower levels.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX-Oct	440	443	449.85	453	454

### Trade Recommendation:

**SELL** Oct futures near 449 with T1 at 447 and T2 - 444. SL at 451.

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

Markets	01.10.07	29.09.07	Change	Arrivals (Bags)
Jaipur (C)	2170	2180	-10	
Alwar(C)	2085-2090	2100	-10	800-900
Delhi(C)	2180	2200	-20	400-500
Agra(C)/Katchi Ghani	2300/5100	2300/5150	0	
Sri Ganganagar (NC)	1920	1870	+ 50	900-1000
Kota (NC)	-	-		-

Exchange	Expiry	Open	High	Low	Close	Prev Close	% Change
NCDEX	Oct	455.00	455.50	447.70	449.85	456.90	-1.55
NCDEX	Nov	451.80	451.95	444.05	446.60	453.15	-1.45
NCDEX	Dec	451.10	451.10	443.80	446.40	452.00	-1.24

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## ■ GROUNDNUT ■

COMMODITIES RESEARCH

**SPOT MARKET: -**

Good crop conditions weak demand and poor trade activities pushed back groundnut complex in major trading centers. Kharif groundnut crop in flowering/pegging stage in Karnataka where as pegging/pod filling stage in Andhra Pradesh, Maharashtra, Gujarat. Rainfed groundnut sowing is continues in Tamil Nadu. The prices of groundnut seeds for different qualities traded between Rs. 410-552 per 20kg (Rs. 410-545 per 20 kg last week) in different market in Gujarat during the week. In Rajkot market groundnut oil traded between Rs. 780-810 per 10 kg (last week it was Rs. 780-800 per 10 kg). On Monday, the prices of groundnut oil softened down considerably to 778/10 kg on tracking weak cues from other edible oils and weak global advices. Moving in tandem, the prices of groundnut seeds softened by Rs 4 per 20 Kg to Rs 540/20 Kg.

Current rains are found beneficial for groundnut crop in terms of increasing yield prospects as stated by spokesperson from SEA of India. Traders expect that groundnut production could touch levels of 48-49 lakh MT, a hike of around 13-15 lakh MT. However, first advance estimate by Ministry of Agriculture holds groundnut production estimate at 51.8 lakh MT.

Russian Federation has temporarily lifted curbs on import of groundnut from India for period of 4 months w.e.f 17<sup>th</sup> of September. The Federation further stated for adhering to quality and safety certification in order to facilitate smooth exports of groundnut to Russian Federation.

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