Commodity Daily

AGRI CALL

10th July 2009

Analysis & View

SOYBEAN

Fundamentals

Bullish

- Soybean futures breached 3% seller circuit and touched new low on early session following weak international edible oil markets amid monsoon concerns however somewhat looses limited by recovery during late session on value buying
- According to farm ministry data, as on July 3, India's soybean acreage recorded 14.96 lakh ha against 43.51 same period a year ago, which is down by 29% and 19% of normal sowing of 72.53 lakh ha

Bearish

- A weak spot demand also weighed on the markets. Buyers stayed on the sidelines due to weak oilmeal demand and on expectation of a further drop in prices on good sowing activity.
- Indian oil meal exports slumped an annual 33% in June, dropping for the sixth straight month, due to lower demand and prices in traditional Asian markets. Further exports of Indian soymeal, the main oil meal derived from crushing of soybean, is expected to drop nearly 35 percent to about 3.2 million tonnes in the year to Sept 2009

Technical

- Bearish Trend
- Short covering expected
- Resistance levels 2240,2265
- Support levels 2160,2130

REFINED SOYOIL

Fundamentals

Bullish

- Soy oil futures dropped sharply during early session following weak Malaysia palm and domestic soybean however losses recovered on value buying at lower levels

Bearish

- Further huge stocks of edible oil due to record high import adding negative bias for soy oil prices
- Edible oil industries were expecting for imposition of import duty on crude edible oil about 20% from NIL in the current budget 2009-10. However, there was not witnessed such move in federal budget, which has provided support to bears in the market

Technical

- Weak Trend
- Resistance levels 455,460
- Support levels 440,436

RAPE MUSTARD SEED

Fundamentals

Bullish

- Somewhat technically recovery is expected as prices are almost at lower levels

Bearish

- Mustard seed futures also witnessed sharp fall along with weak oilseeds trend
- Poor demand from millers and huge losses in edible oils on a decision of continue to duty free import of crude edible oil in current budget
- Oil meal exports declined to 1,97,593 metric tonnes in June 2009, down 33% as compared to 2,95,204 metric tonnes in June 2008

Technical

- Sideways to weak Trend
- Resistance levels 518,522
- Support levels 510,505

GUARSEED

Fundamentals

Bullish

- Guar seed futures continued its sideways to up trend, however spot buying is expected at lower levels which could further lead to some gains
- According to traders of Bikaner, this year total crop area may drop by 10% which may affect the supplies in long term
- Sowing of guar seed started in major part of Rajasthan. As per market sources around 15% sowing is completed against normal sowing of 50%

Bearish

- The spot markets were also pushed lower by weak demand for Churi and Korma. The Indian parity for Guar gum spilt and powder fell as export demand has remained sluggish

Technical

- Bullish (Long term)
- Resistance levels 1860,1885
- Support levels 1810,1790

CHANA

Fundamentals

Bullish

- Chana futures soared up by more than 2% on heavy spot buying following improved domestic demand amid lower production estimations.
- Further stockiest became active in buying at lower levels due to upcoming festive demand in the month of August
- As per reports, sowing of summer-sown pulses like tur, urad and moong has been delayed in western state of Maharashtra, the biggest producer, by more than two weeks supporting prices. As on July 6, farmers in the state have cultivated pulses on 350,800 hectares, down 22.9 percent on year.
- As monsoon have started so demand for chana dal flour usually increased during this season as supply of vegetables get affected, which is adding positive sentiments

Bearish

- Profit booking at higher level may wipe out some gains

Technical

- Bullish Trend
- (Intraday – Profit booking)

(Target 2240 achd. Further hold for 2320 for long term)

- Resistance levels 2280,2310
- Support levels 2250,2225

TURMERIC

Fundamentals

Bullish

- Earlier as well as insufficient rainfall has indicated lower crop the major producing states like Tamil Nadu, Karnataka, Mahrashtra and Andhra Pradesh this year
- Thin carryover stocks and a lower projected output may slash supplies by 16 percent to 4.55 million bags from a year ago

Bearish

- Better advancement of monsoon to the interior parts of the nation may cap the upside in the turmeric prices at the domestic market and the impact may be witnessed in futures by mid of July

Technical

- Sideways to strong trend
- Resistance levels 5340,5395
- Support levels 5246,5210

JEERA

Fundamentals

Bullish

- Rainfall at Turkey & festival demand at the upcountry market has lead the commodity to rise 1.10%

Bearish

- Fundamentals remained weak as a better-than-expected output from leading global producers Syria and Turkey this season is seen pushing Indian jeera exports down sharply, hurting local prices
- With monsoon coverage across Gujarat and commencement of kharif sowing, farmers are offloading their old stocks.

Technical

- Sideways to Up Trend
- Resistance levels 11111,11191
- Support levels 10942,10834

PEPPER

Fundamentals

Bullish

- Good rains in the main growing market has curtailed the price in the initial period but strong demand at the domestic front on the face of low stock in the country limited further decline and boosted the price
- Lower stocks in International markets and low selling activities at these low rates are expected to provide some support to the prices

Bearish

- As per market sources Vietnam has exported 2515 tonnes of pepper to India and much of it is expecting to be in to domestic market
- Reports of good rain in Kerala largest producer of spice as well as lowering exports because of higher rates ($2625 a tonne f.o.b) may lead to lowering of prices

Technical

- Trend Reversal
- Resistance levels 12348,12458
- Support levels 12200,12038

CHILLI

Fundamentals

Bullish

- Low demand at spot market as well as active traditional buyers of Bangladesh, Malaysia and Sri Lanka has given the flat ending amidst lackluster trading

Bearish

- The export of chilli during April-May 2009 has been 26,000 tonnes valued Rs.159.71 crores as against 50,275 tonnes valued Rs.242.11 crores of last year. The decline in export of Chilli is mainly due to the absence of Pakistan from the market. Last year they have imported 20,000 MT of Chilli during April-May 2008. Further India is likely to produce 13.5 lakh tonnes of Red Chilli this year against production of 11.5 lakh tonnes last year

Technical

- Sideways to Weak trend
- Resistance levels 4850,4900
- Support levels 4740,4700

TOP TEN TRADED CONTRACTS - NCDEX

SN	Commodity	Expiry Date	Traded Value (Rs. in lakhs)	Open Interest
1	SOYA_OIL	8/20/2009	32057.27	100280
2	GUAR_SEED	8/20/2009	30811.8	151320
3	CHANA	8/20/2009	25665.72	85020
4	RAPE_MUSTARD_SEED	8/20/2009	20479.02	99910
5	SOYABEAN	8/20/2009	16127.52	52630
6	TURMERIC	7/20/2009	15458.25	19770
7	SOYA_OIL	7/20/2009	14004.2	30480
8	TURMERIC	8/20/2009	12997.97	18400
9	CHANA	7/20/2009	12906.56	54420
10	RAPE_MUSTARD_SEED	7/20/2009	12532.07	46150

EXCHANGE MOVEMENT

Commodity	Contract	PCP	Open	High	Low	Close	% Chg	Open Interest	Volume (Lacs)
Cardamom	July	836.3	823.3	860.8	813.0	852.3	1.91	108	237
Crude Palm Oil	July	300.3	300.3	304.8	293.6	301.0	0.23	1532	1289
Potato	July	1048.9	1057.5	1057.5	1015.0	1037.0	-1.14	215	234
Castor Seed	July	491.9	492.0	492.9	491.0	492.9	0.20	3170	90
Chana (NCDEX)	July	2219.0	2213.0	2271.0	2210.0	2269.0	2.25	54690	57520
Chana (MCX)	July	2261.0	2253.0	2314.0	2253.0	2314.0	2.34	330	337
Chilli	Aug	4776.0	4843.0	4843.0	4751.0	4775.0	-0.02	2725	130
Cotton Seed	July	620.8	620.1	620.8	612.7	617.1	-0.60	14020	7380
Guar Gum	July	3852.0	3850.0	3880.0	3835.0	3840.0	-0.31	4500	570
Guar Seed	July	1848.0	1851.0	1858.0	1834.0	1838.0	-0.54	37760	28900
Gur	July	1048.2	1045.2	1048.4	1034.2	1039.0	-0.88	4540	3520
Jeera	July	10941.0	10950.0	11095.0	10841.0	11070.0	1.18	3990	3165
Maize	July	920.5	917.0	937.0	917.0	934.0	1.47	1020	250
Pepper	July	12125.0	12110.0	12333.0	12068.0	12289.0	1.35	3317	1402
Rape Seed	July	513.7	514.8	516.5	507.1	513.0	-0.14	45900	48990
Ref. Soy Oil	July	445.4	446.1	450.1	437.1	445.0	-0.08	30530	31630
Soybean	July	2270.0	2255.0	2255.0	2180.5	2218.0	-2.29	35000	33480
Sugar	July	2351.0	2349.0	2349.0	2342.0	2345.0	-0.26	13870	1110
Turmeric	July	5243.0	5240.0	5369.0	5222.0	5318.0	1.43	19960	29080

TECHNICAL LEVELS

Commodity	Contract	S1	S2	S3	Pivot	R1	R2	R3
Cardamom	July	823	794	775	842	871	890	919
Crude Palm Oil	July	295	289	284	300	306	311	317
Potato	July	1016	994	973	1037	1058	1079	1101
Castor Seed	July	492	490	490	492	494	494	495
Chana (NCDEX)	July	2229	2189	2168	2250	2290	2311	2351
Chana (MCX)	July	2273	2233	2212	2294	2334	2355	2395
Chilli	Aug	4736	4698	4644	4790	4828	4882	4920
Cotton Seed	July	613	609	605	617	621	625	629
Guar Gum	July	3823	3807	3778	3852	3868	3897	3913
Guar Seed	July	1829	1819	1805	1843	1853	1867	1877
Gur	July	1033	1026	1018	1041	1047	1055	1061
Jeera	July	10909	10748	10655	11002	11163	11256	11417
Maize	July	922	909	902	929	942	949	962
Pepper	July	12127	11965	11862	12230	12392	12495	12657
Rape Seed	July	508	503	498	512	517	522	527
Ref. Soy Oil	July	438	431	425	444	451	457	464
Soybean	July	2181	2143	2106	2218	2255	2292	2330
Sugar	July	2342	2338	2335	2345	2349	2352	2356
Turmeric	July	5237	5156	5090	5303	5384	5450	5531