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Guar

September 06, 2010

Spot Prices (Rs/Qtl)

Centers	Variety	04/09/10	03/09/10	+/-
Jodhpur	Whitish Guar seed	2091	2070	+21
Jodhpur	Guar gum	5030	4810	+220
Bikaner	Guar seed	2096	2040	+56

Market News

- Spot prices of Guar seed were quoted at premium since the beginning of the previous week due to expectation of demand from local stockists. Guar futures traced the spot prices and touched a high of Rs. 2,159 per qtl due to improved buying at lower levels.
- Farmers and stockists are not ready to liquidate their Guar stocks at lower levels.
- According to the market sources area sown under Guar is reported to be higher at around 2.70 million hectares as compared to 2.49 million hectares.
- Demand for Churi and Korma have also reduced thereby declining the prices.
- In NCDEX-accredited warehouses, stock of guar seed stood at 19849 tonne and Guar gum at 19,553 tonnes as of 03rd September, 2010.

Futures Price: NCDEX

Contract	Open	High	Low	LTP	+/-	Vol	O.I
Sep 10	2094	2135	2094	2127	+26	110080	106010
Oct 10	2116	2159	2116	2151	+29	202880	153200

Fundamental Analysis

- Guar futures continued to trade higher due to improved buying at lower levels and expectation of demand from the overseas market. Demand for the Churi and Korma has also improved thereby supporting prices.
- However, concerns of better production estimates in 2010-11 due to adequate rainfall resulting in higher sowing acreage and production will pressurize the prices.
- Sowing acreage increased about 100% in Haryana and Punjab in anticipation of better return as compared to other traditional crops. Export demand for Guar gum has declined along with lower domestic demand of Churi and Korma provided support to the bears.
- In the medium to long term (September onwards) prices will take cues from the stocks of Guar with the stockists, demand from the overseas buyers and growth of sown Guar crop.
- Spread between September and October contract is Rs. 24 same as the previous day.

NCDEX October 2010 Contract: Guar seed



Technical Analysis

- Prices on daily charts closed above its 10-days and its 20-days EMA, which indicates bullish trend.
- Prices have closed above Rs.2,145 levels prices could touch 2200 levels in 4-5 days.
- 14-days RSI is at 48.1 and is moving sideways.
- MACD is in the positive territory.

Contract	S2	S1	R1	R2
October 2010	2070	2100	2145	2160

Outlook

In the intraday Guar seed futures may trade sideways to up with positive bias on expectations of demand from local stockists. In the Short term (till mid of September), prices will depend on the demand from the overseas buyers. In the medium to long term (September mid onwards), prices will depend on the growth of sown crop and stocks of Guar with the stockists.



Chana

September 06, 2010

Spot Prices (Rs/Qtl)

Centers	04/09/10	03/09/10	+/-
Delhi	2241	2235	+6
Bikaner	2190	2170	+20
Indore	2190	2190	-

Future Price: NCDEX

Contract	Open	High	Low	LTP	+/-	Vol	O.I
Sep 10	2193	2217	2193	2214	+18	57270	114190
Oct 10	2264	2275	2255	2272	+9	33700	118920

Market News

- Chana futures were quoted at premium across major mandis due to better offtakes and also traced prices of other Pulses.
- Prices of other pulses particularly moong and peas were being offered at premium.
- Demand from local stockists is expected to improve in the coming weeks ahead of festivals.
- Increase in the area of Kharif pulses will however, weigh on the prices. As on 30th August, 2010, area under pulses is projected higher at 109 lakh hectares (lakh hectare) as compared to 89 lakh hectare in the same period previous year.
- In NCDEX-accredited warehouses, stock of Chana stood at 44,623 tonne as of 03rd September, 2010.

Fundamental Analysis

- Chana futures gained from the lows of Rs.2,170 on expectation of revival in demand ahead of festive season from the domestic stockists.
- Overall, improved acreage towards other pulses and therefore improved production due to adequate rainfall in the food belt of India (Central India) will limit the gains.
- In long term (November onwards), bumper crop of Chana in the year 2009-2010 coupled with good carryover stocks will resist prices from trading higher. Prices will also take cues from price quotes of other major pulses.
- Spread between September and October contract is at Rs.58 as compared to 67 in the previous day.

NCDEX September 2010 Chana Contract



Technical Analysis

- Prices on daily charts closed below its 10-days and its 20-days EMA, indicating bearish trend.
- 14-days RSI is at 42 and is in the neutral region.
- MACD is however, in the negative territory.

Contract	S2	S1	R1	R2
September 2010	2185	2195	2230	2245

Outlook

Chana futures are expected to remain firm in the coming days on hopes of revival in demand ahead of festival season. In the medium to long term (October onwards), Chana prices may take cues from the prices of other pulses and sowing progress of Chana in the major growing areas.



Black pepper

September 06, 2010

Spot Prices (Rs/Qtl)

Centers	Variety	04/09/10	03/09/10	+/-
Kochi	Garbled	20237	19800	+437
	Ungarbled	19500	19100	+400

Market News

- Black pepper prices at the benchmark Kochi mandi were quoted at discount in the major period of previous week but strengthened since Friday on account of improved offtakes. Black pepper futures traced spot prices and settled in green on Saturday.
- Demand from overseas buyers is expected in the coming days.
- Black Pepper prices in the international market of Indian origin are being offered at higher rates at around \$4,625/tonne whereas Indonesian is being offered lower at \$4,350/tonne.
- Black Pepper exports from Indonesia during January to June 2010 stood at 14,000 tonnes as compared to 17,284 tonnes in the same period previous year. Farmers and stockists of the above nation are not ready to sell their pepper at lower rates.
- Black Pepper stocks in the NCDEX warehouses, stood at 4,273 tonne as of 3rd September, 2010.

NCDEX September 2010 Contract: Black Pepper



Outlook:

Pepper prices in the intraday are expected to trade firm due to improved buying at lower levels. In the short term (till mid of September), Pepper prices will depend on global Black pepper availability and demand from the overseas and domestic market. In the medium to long term (mid of September onwards), price trend will depend on demand from the overseas and domestic market, pepper production in Brazil and pepper price parity of the major origins such as Brazil, Indonesia, India and Vietnam.

NCDEX Futures Price:

Contract	Open	High	Low	LTP	+/-	Vol	O.I
Sep 10	20399	20845	20156	20443	+231	16390	10344
Oct 10	20590	21020	20370	20642	+241	5795	5031

Fundamental Analysis

- Reports that major exporters such as Indonesia, Vietnam and India are not ready to sell Black Pepper at lower levels provided support to the prices. Vietnam and India have lower pepper stocks which is restricting them to sell at lower levels.
- In the short term (till mid of September) prices will depend on the demand from the domestic market and pepper quotes of major origins such as Vietnam, Indonesia, Brazil and India in the international market.
- Exports of pepper from Vietnam, one of the major producer and exporter, stood at 83,121 tonnes. Thus, they might hoard their pepper stocks till the fresh arrivals expected in the month of April next year. This will be supportive to price trend in the short term to medium (till September).
- However, price quotes offered by Indonesia in the international market for its Pepper will determine the domestic price trend. This will cap the upside in the medium term (October onwards).
- Spread between September and October contract is Rs.199 as compared to Rs. 189 the previous day.

Technical Analysis

- Prices closed above its 10-Day and its 20-Day EMA indicating bullish trend.
- The 14-Day RSI is at 53.8 and is in neutral region.
- MACD is in the negative territory.

Contract	S2	S1	R1	R2
September 2010	19800	20100	20850	21170



Turmeric

September 06, 2010

Spot Prices (Rs/Qtl)

Centers	Variety	04/09/10	03/09/10	+/-
Nizamabad	Finger	Closed	13848-14000	-
	Gattah	Closed	13750-14050	-
Erode	Finger	Closed	14700-14800	-
	Gattah	Closed	14550-14600	-

NCDEX Futures Price

Contract	Open	High	Low	LTP	+/-	Vol	O.I
Sep 10	12380	12440	12102	12192	-294	3135	7100
Oct 10	11800	11830	11570	11624	-236	1395	2505

Market News

- Spot prices of Turmeric at benchmark Erode and Nizamabad were quoted at discount in the beginning of the week but strengthened on Friday due to improved offtakes by the local stockists.
- Arrivals in the Erode mandi were reported at 5,000 bags against 4000 bags and Nizamabad mandi witnessed arrivals of 500 bags.
- Turmeric prices corrected by 5.5% in the previous week and touched a low of Rs.11,862/qtl and ended negatively on Saturday.
- According to the market sources, Turmeric production is expected to be better and is projected at 65-67 bags as compared 48 lakh bags. Turmeric stocks with the stockists are projected at 15 lakh bags (each bag weighs 70-75 kgs.).
- Turmeric stocks in the NCDEX warehouse, stood at 4637 tonne as of 03rd September, 2010.

Fundamental Analysis

- Lower arrivals at the domestic mandi coupled with better offtakes will keep turmeric prices firm. However, better production estimates of Turmeric in 2010-11 will cap the prices in far month contract.
- Near month contract, on the other hand may not witness sharp fall as the farmers are hoarding the stocks of turmeric and are not ready to sell at lower levels. So, any revival of demand from the domestic and overseas will support prices to strengthen in short term (till mid of September).
- Turmeric prices in the medium term (September end onwards) will depend on growth of the sown crop. Further, demand from the domestic and overseas buyers will also determine the price trend in the above period.
- In long term (November onwards) prices are likely to take cues from stocks of turmeric in India and demand from overseas and domestic buyers.
- Spread between the September and October contract is at Rs.-568 as compared to Rs.-626 the previous day.

NCDEX September 2010 Contract: Turmeric



Technical Analysis

- Prices closed below its 10-Day's and its 20-Day's EMA indicating bearish trend.
- 14-Day RSI is at 30.5 and is in oversold zone.
- MACD is in the negative territory.

Contract	S2	S1	R1	R2
September 2010	11870	12030	12480	12650

Outlook

Turmeric prices in the intraday are expected to trade bearish due to lower arrivals at the domestic market. Prices in short term (till mid of September), will depend on demand from the domestic and overseas buyers and sowing progress of Turmeric. In the long to medium term (mid of September onwards), prices is likely to take cues from the turmeric stocks and production estimates reported by the spot market participants.



Jeera

September 06, 2010

Spot Prices (Rs/Qtl)

Centers	Variety	04/09/10	03/09/10	+/-
Unjha	F.A.Q.	13916	Closed	-
	Ganesh	13500	Closed	-

Market News

- Benchmark Unjha mandi of Jeera were quoted bearish in the beginning of the week but bounce back was witnessed on Saturday due to improved buying by the market participants.
- Jeera futures traded bearish in the beginning of the week and touched a low of Rs.13,165/qtl but bounced from the lows and ended positively on Saturday.
- Demand from the overseas and domestic buyers is expected in the coming days.
- According to the market sources jeera stocks currently are projected to be lower at around 14 lakh bags as compared to 16-17 lakh bags in the same period previous year. (each bag weighs 55 kgs).
- Exports of Jeera during April to July 2010 stood at 13,500 tonnes as compared to 16,720 in the same period previous year.
- Jeera stocks in the NCDEX warehouse, stood at 6286 tonne as on 03rd September, 2010.

NCDEX September 2010 Contract: Jeera



Outlook

Jeera prices in the intraday will trade sideways to up due to improved demand from domestic buyers. In the short term (till mid of September), trend will depend on jeera price parity of various origins in international market. In the medium to long term (September mid onwards) prices are likely to take cues from stocks with major producing nation such as India, Syria and Turkey.

NCDEX Futures Price:

Contract	Open	High	Low	LTP	+/-	Vol	O.I
Sep 10	13676	13820	13555	13659	-36	8685	10926
Oct 10	13876	13938	13721	13800	-66	5904	14889

Fundamental Analysis

- Expectation of demand from the overseas and domestic buyers will support prices to strengthen in the short term (till mid of September).
- Also, prices in the international market of Syrian origin are being offered at higher rates than Indian origin. This will help prices to find support and strengthen in the medium term (September mid onwards).
- Also, there are lower stocks in the domestic market till the fresh arrivals expected in the month of March which will also add to the gains.
- In the medium term to long term (September mid onwards), Jeera prices will depend on the demand from the overseas and domestic buyers and stocks of Jeera with the major producers.
- Spread between September and October contract is at Rs.141 as compared to Rs.171 the previous day.

Technical Analysis

- Prices closed below its 10-Day and its 20-Day EMA indicating downward trend.
- The 14-Day RSI is at 42.1 and is in neutral region.
- MACD is in the negative territory.

Contract	S2	S1	R1	R2
September 2010	13400	13530	13820	13940



Soybean

September 06, 2010

Spot Prices: Soybean (Rs/Qtl)

Centers	04/09/10	03/09/10	+/-
Indore	2025.00	2005.00	+20.00
Kota	2030.00	2010.00	+20.00

NCDEX Futures Price: (Price/Qtl)

Contract	Open	High	Low	LTP	+/-	Vol	O.I
September	2051.00	2073.00	2051.00	2062.50	+16	33400	77630
October	2057.00	2081.00	2057.00	2067.00	+17	31070	81430

Market News

- In spot markets yesterday, prices were higher on improved export demand of domestic soy meal. Daily arrivals of soybean were at 2,500 bags yesterday in Indore mandi and 50,000 bags in M.P. (bag=100 kg).
- Area under Soybean is reported lower at 92 lakh hectares till August this year as compared to 95 lakh hectares, in the same period last year.
- The apex body of Soybean Processors, Soybean Processors Association of India (SOPA) has predicted over 90 lakh tonnes production of soybeans during this kharif season despite 4 per cent decline in the total sown area.
- The USDA's weekly export sales report released yesterday, which showed that the slightly below trade expectations in soybeans and soy oil and about in line in meal. Net sales for soybeans came in at 900 tonnes for the 2009/10 marketing year and 613,000 for the crop year that started on September 1st.

Fundamental Analysis

- September Soybean futures closed higher on account of firm overseas market and short covering and firm prices of soy meal is also added bullish market sentiments.
- FOR (Free On Rail) Kakinada delivery increased to `17,750-17,800 /tonne on Saturday against `17,150-17,200 /tonnes previous day.
- Overall, Open interest in Soybean futures has decreased by 1.98% to 308540.
- Spread between NCDEX September and October contract is Rs-4.50 against previous day of Rs -3.50 per 100 Kg.
- CBOT November soybean futures ended higher at \$ 10.35/bushels on Friday, up 26 cents/bushel as compared to previous close.
- CBOT December Soybean meal futures ended higher at \$ 303.30/ton on Friday, up \$7.20/tonnes as compared to previous close.

NCDEX September Contract: Soybean



Technical Analysis

- Prices closed below its 10 Day and its 20 Day EMA, which indicates bearish market sentiments.
- 14-Day RSI is at 49.27 which are in neutral region.
- Daily MACD is in negative territory.

Contract	S2	S1	R1	R2
NCDEX Sep	2030	2045	2085	2100

Outlook

In the short term, soybean prices are expected to trade slightly higher on improved export demand of soy meal. However, for long term, prices are expected to trade lower due to fresh arrivals in next two weeks in Madhya Pradesh, which is a major producing state of soybean and it contributes more than 50% of its total production. Existing better carry over stock this year as compared to last year may provide support to the bears.



Mustard Seed

September 06, 2010

Spot Prices: Mustard Seed (Rs/20 kg)

Centers	04/09/10	03/09/10	+/-
Jaipur	538.00	535.00	+3.00
Alwar	539.00	536.00	+3.00

Futures Price: NCDEX (Price/20 Kg)

Contract	Open	High	Low	LTP	+/-	Vol	O.I
Sep	536.00	543.00	536.00	541.45	+6.20	51250	80280
Oct	544.90	549.50	544.65	548.25	+5.20	49210	89320

Market News

- Arrivals of Mustard seed in Rajasthan were steady at 10,000 bags yesterday and all over India's arrival were at to 16,000 bags (85 kg each) yesterday.
- The US Census Bureau released its monthly crush report on Thursday. Total crush for July was estimated at 129.07 million bushels which was about 600-700,000 bushels above the average trade estimate. The monthly crush number was almost unchanged from June and up fractionally from last year. Oil stocks were slightly above trade expectations at 3.555 billion pounds with meal stocks well above expectations at 423,052 short tons.
- Mustard seed stocks in the NCDEX accredited warehouses stood at 119,246 metric tonnes (dematted stock) and 1813 metric tonnes are in process as on September 02, 2010.

Fundamental Analysis

- NCDEX September Mustard seed futures closed higher on account of short covering after a sharp fall in the last 4 days.
- Higher prices of other oilseeds and edible oils also provided support to the bulls.
- Firm overseas market and lower production estimates of mustard seed globally as well as domestic also provided support to the bulls.
- Spread between NCDEX September and October contract is Rs 7.00 against previous day of Rs 7.80 per 20 Kg.

NCDEX September Contract: Mustard Seed



Technical Analysis

- Prices closed below its 10 Day & its 20 Day EMA, which indicates bearish market sentiments.
- 14-Day RSI is at 45.24, which is in neutral zone.
- Daily MACD is in negative territory.

Contract	S2	S1	R1	R2
NCDEX Sep	532.00	535.00	545.00	548.00

Outlook

In the short term perspective, mustard seed prices are expected to trade higher on short covering, higher prices of other oilseeds and edible oils. Lower production estimates of mustard seed also added bullish market sentiments. However, in the long term perspective, it is expected to trade lower on account of higher global oilseeds output and huge import of edible oils may provide support to bears. Higher production estimates of kharif oilseeds are also in favour of bears.



Refine Soy Oil

Spot Prices: (Rs/20 kg)

Centers	04/09/10	03/09/10	+/-
Indore	481.00	481.00	+3.00
Kota	485.00	482.00	+3.00

Market News

- MCX September CPO closed higher Rs 3.40/10Kg at Rs 418.00/10 Kg on Saturday, from its high of the day (419.00) and touched a low of 416.00 levels.
- The benchmark Nov contract on BMD CPO ended higher at MYR 2570/tonnes on Friday, up MYR 28/tonnes as compared to previous close, from its high of the day 2574 levels and touched a low of MYR 2546/tones.
- As per Intertek Agri Services (a cargo surveyor), Malaysia's palm oil export fell 14% in the month of August to 1.22 million tones as compared to previous month.
- As per SGS (another cargo surveyor), Malaysia's palm oil export fell 18% in the month of August to 1.15 million tones as compared to previous month.

September 06, 2010

Refined Soy Oil Futures Price: (Rs/10 kg)

Contract	Open	High	Low	LTP	+/-	Vol	O.I
NCDEX Sep	487.00	491.95	487.00	490.40	+4.05	41160	71790
MCX Sep	488.00	491.70	488.00	490.60	+4.30	1320	5530

Fundamental Analysis

- NCDEX September refined soy oil futures closed higher, tracking global cue and short covering after continuous fall in the last 4 days.
- Overall, Open Interest in NCDEX Refined Soybean Oil futures has increased by 2.19% to 231830.
- Spread between NCDEX and MCX September contract is Rs -0.20 against previous day of Rs -0.05 per 10 Kg.
- CBOT December soy oil futures ended higher at \$ 40.86 cents/pounds on Friday, up 0.66 cents/pounds as compared to previous close.
- The Solvent Extractors Association (SEA) has recently noted that the edible oil stock at Indian Ports is 635000 MT, up 10% over the month.

NCDEX September Contract: Refined Soybean Oil



Technical Analysis

- Prices closed below its 10 day & its 20 day EMA, which indicates bearish market sentiments.
- 14-Day RSI is at 49.48, which is in neutral zone.
- Daily MACD is in negative territory.

Contract	S2	S1	R1	R2
NCDEX Sep RSO	484.00	486.00	494.00	496.00
MCX Sep CPO	414.00	416.00	421.00	422.00

Outlook

In the Intraday perspective, soy oil prices are expected to trade slightly higher due to improved demand ahead of festivals and firm overseas market. However, in the long term, prices are expected to trade lower due to huge stock of imported edible oil and better carry over stock of oilseeds this year as compared to last year.



Monsoon Update

September 06, 2010

Status of southwest monsoon 2010 rainfall and weekly forecast (04th -10th September) and outlook for subsequent week (11th -17th September)

- Monsoon was very active during the week (26th August to 01st September) with normal to excess rainfall over south west peninsula and central India. Out of the 36 Metrological sub divisions, rainfall was excess in 14, normal in 10 and deficient in 09 and scanty in 03 (Punjab, Bihar, and west Rajasthan).
- All India rainfall during the month 01-31 August was 6% above long period average (LPA) over all the major homogenous regions. Seasonal rainfall deficiency from LPA for the country as a whole reduced further from 2 % to 1%.
- During the week (4th -10th September) rainfall is expected to be heavy in Central and adjoining North peninsular and North West India.
- The cumulative seasonal rainfall for the country as a whole from 1- 31 August has been 106% of the LPA against the forecast of 101± 9% for the month with normal/excess rainfall over the all the four homogenous regions

Rainfall during the week (26th August- 01 September)

The statistics of the weekly rainfall are given below:

Regions	Actual Rainfall (mm)		% departure from LPA	
	19 -25 August	26 Aug -01 Sep	19 -25 August	26 Aug -01 Sep
Country as a whole	71.9	57.2	29	16
Northwest India	84.4	27.7	87	-26
Central India	45.8	88.1	-25	50
South Peninsula	70.8	60.0	79	70
Northeast India	104.1	45.7	23	-35

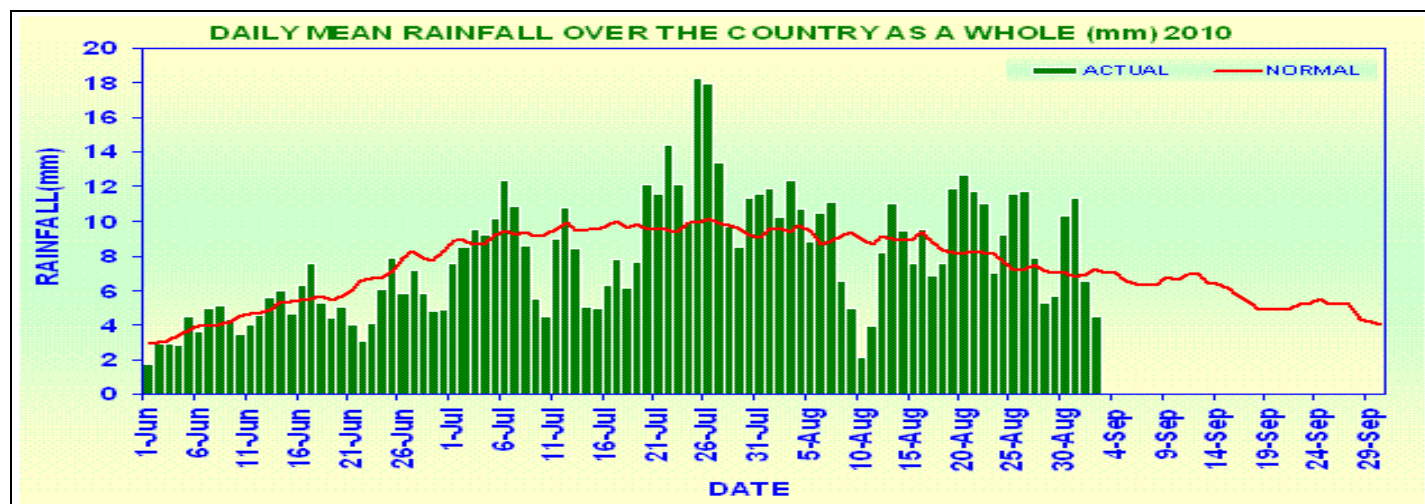
Forecast for next two week (04th - 17th September)

- Widespread rainfall is expected over Uttar Pradesh, Uttarakhand, Himachal Pradesh, Haryana, Chandigarh and Delhi in the beginning of the week but is expected to reduce thereafter.
- Increase in the rainfall activity is expected over Maharashtra, Gujrat and Rajasthan from 6th September 2010. Fairly widespread rainfall over northeastern states in most part of the week and scattered rainfall is likely over remaining parts of the country.

Source: www.imd.gov.in

Spread of Rainfall till August 25th, 2010 in different regions is shown below:

A. Country as a whole:





B. Homogeneous Regions:

Source: Indian Metrological Department

