

WEEKLY AGRI REPORT

Short Covering May Take Place In Spices!

06th Sep 2010 to 11th Sep 2010





JEERA

JEERA VOLATILE, FALLS ON PROFIT BOOKING

The NCDEX Jeera futures witnessed volatility during last week's trading sessions due to profit booking. In absence of cues from spot market, in the beginning of the week futures traded down where all running contract hit 2% initial lower circuit. However, prices showed some recovery during end of the week. The NCDEX Jeera futures are expected to open up on short covering during next trading session. Fresh buying at lower level can also be noticed. However, prices are likely to remain downside biased. As sluggish domestic and export demand might weigh on sentiments. As per data released by Spices Board, Jeera exports have decreased by 19% during April-July 2010 as compared to same period last year. Spot market of Unjha was closed for two days due to janmashtmi. According to market sources, Syria prices are hovering around \$3150/3200 per tonne, Indian prices are quoting at \$2600/2800 per tonne and Turkey prices are quoting in the range of \$2500 – 2800. As per Spices Board data, international price of Jeera in New York market was \$3.35 per kg during the week ended 27th August 2010, which was higher than \$2.69 per kg quoted in the same period last year.

REASONS FOR MOVEMENT

- Profit Booking
- Fresh Buying

Weekly Pivots

SCRIPT	JEERA
R4	15510
R3	14855
R2	14200
R1	13925
P	13545
S1	13270
S2	12890
S3	12235
S4	11580

Weekly Chart



Last week Jeera was bearish for most part of the week, but on the last two days we saw some good short covering and Jeera even closed near to its high. For the next week resistance in Jeera is found at 13920 and support at 13100.

Strategy

Jeera is in a consolidation phase and one should use the strategy of selling on higher levels. If in the coming week Jeera sustains below the level of 13100 then we can expect a level of 12500, and if it sustains above 13920 we can see the level of 14200.



GUARSEED

GUARSEED HIGHLY VOLATILE, ENDS STEADY

The Guar seed futures market was highly volatile last week. Initially, prices fell on profit taking from previous rally and later rose on fresh buying supported by firm demand for the produce in the spot market. Guar gum futures ended sharply on strong buying interest supported by firm demand. The Guar seed and Guar gum futures are projected to trade on a positive note on follow through buying. Emerging demand for Guar gum from exporters is likely to support the prices. The warehouse stocks are declining indicating good demand for the produce. Higher production forecast for upcoming season had already factored into the market. Guar seed production in 2010-11 is expected to be around 7080 lakh bags due to higher acreage and favorable weather condition. According to latest sowing data, guar seed sowing in Rajasthan has been done in an area of 28.43 lakh hectares as on 19th August against 25.81 lakh hectares in the same period last year. NCDEX warehouse stocks are at 19,849 tons of Guar seed and 19,573 tons of guar gum as on 1st September 2010.

REASONS FOR MOVEMENT

- Profit Booking
- Firm Demand

Weekly Pivots

SCRIPT	GUARSEED
R4	2606
R3	2428
R2	2250
R1	2188
P	2072
S1	2010
S2	1894
S3	1716
S4	1538

Weekly Chart



Last week Guar seed took the support of the important level of 1960 and bounced back. For the next week resistance in Guar seed is found at 2210 and support at 2040.

Strategy

For next week traders should go for buying on lower level strategy, if Guar seed sustains above the level of 2210 we can see the level of 2300, and below 2040 it can come till 1985.



SOYABEAN

SOYABEAN ARRIVALS INCREASE ON STEADY DEMAND

For the last couple of days, market arrivals have increased considerably amidst steady demand. Increased arrival pressure has weighted upon prices. Fresh rainfall in the MP Soybean growing areas has brightened the crop prospects. In international markets, Soybean on CBOT remains bearish. Market participants opine that there is still some uncertainty regarding yield in US. Thus market will continue to add some risk premium to the prices time to time. However, it is also true that on higher levels traders would not like to trap by making heavy buying. So we may witness mixed sentiments in the near future. Soy refined market opened with weak sentiments in the line with other oilseeds. International market sentiments were also weak. However, by the end of the week market closed far above the day's low level indicating that some fresh buying was seen on lower levels. Since prices have fallen considerably during past few days, thus right now traders are avoiding heavy selling on current levels.

REASONS FOR MOVEMENT

- High Arrivals
- Fresh Buying

Weekly Pivots

SCRIPT	SOYABEAN
R4	2282
R3	2205
R2	2128
R1	2094
P	2051
S1	2017
S2	1974
S3	1897
S4	1820

Weekly Chart



Last week Soybean remained in a consolidated phase and it was bearish for major part of the week but we saw some good buying coming in the last two days of the week. For the next week Soybean has resistance at 2110 and support at 1990.

Strategy

Soybean is in a consolidation phase on charts and one should look for selling opportunities at higher levels, if Soybean, sustains below the level of 2008 we can see the level of 1970, and on the up side if it sustains above the level of 2110 we can see Soybean at 2150 level.



CHANA

FRESH DEMAND KEEPS CHANA FIRM

Chana futures declined more than 2.5% last week as huge carryover stocks coupled with increased sowing of Kharif Pulses pressurized the prices. Demand from the domestic stockists is expected to revive due to lower quotes and festive demand ahead in the medium term (mid of September onwards). 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.64 as compared to 50 in the previous day. In the intraday Chana futures are likely to trade sideways tracking the weakness in other Pulses. In the medium to long term (mid of September onwards), trend in the Chana prices may take cues from the prices of other pulses and demand from the domestic stockists.

REASONS FOR MOVEMENT

- Carry Over Stocks
- Fresh Demand

Weekly Pivots

SCRIPT	CHANA
R4	2466
R3	2381
R2	2296
R1	2253
P	2211
S1	2168
S2	2126
S3	2041
S4	1956

Weekly Chart



Last week Chana remained consolidated and we saw some good selling coming at higher levels. For the coming week Chana has resistance at 2290 and support at 2140.

Strategy

Overall trend of Chana is of consolidation and one should go for selling at higher levels strategy in it. For the coming week if Chana sustains below 2140 level we can see it at 2090 and above 2290 we can expect the level of 2320.



Weekly Pivots

Script	R3	R2	R1	PP	S1	S2	S3
JEERA	14306.00	14200.33	13925.67	13545.33	13270.67	12890.33	12615.67
TURMERIC	14608.00	13830.00	13026.00	12444.00	11640.00	11058.00	10254.00
PEPPER	22984.00	21746.00	21083.00	20182.00	19519.00	18618.00	17955.00
SOYABEAN	2188.00	2128.33	2094.67	2051.33	2017.67	1974.33	1940.67
GUARGUM	5785.00	5573.33	5341.67	4898.33	4666.67	4223.33	3991.67
GUARSEED	2334.00	2278.67	2214.33	2094.67	2030.33	1910.67	1846.33
CHANA	2325.00	2296.67	2253.33	2211.67	2168.33	2126.67	2083.33

Script	R3	R2	R1	PP	S1	S2	S3
MUSTARD SEED	558.10	553.87	547.23	536.37	529.73	518.87	512.23
WHEAT	1263.40	1257.40	1238.20	1223.00	1203.80	1188.60	1169.40
GUR	1242.80	1213.93	1170.87	1098.93	1055.87	983.93	940.87
CARDAMOM	1527.70	1467.43	1407.27	1356.83	1296.67	1246.23	1186.07
CRUDE PALM OIL	435.50	432.33	425.17	414.83	407.67	397.33	390.17
REFINED SOYA OIL	519.15	504.80	497.40	488.25	480.85	471.70	464.30
MENTHA OIL	868.50	851.27	825.53	782.57	756.83	713.87	688.13



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