

**OILSEED**

**25<sup>th</sup> February, 2006**

Soybean Remain Indecisive and Mustard Improved

## TECHNICAL ANALYSIS

**Commodity: SOYBEAN**

### Indicators

1. Candlestick showing indecisive market sentiments
2. Prices closed below the 9-day and 18-day EMA showing bearish sentiments.
3. %K line made bullish cross over with % D line showing possible trend change.
4. MACD is moving in negative zone showing bearish sentiments.

### Market advice:

Buy above 1220.00, target near 1225.00 and stop loss at 1217.00

### NCDEX MARCH SOYBEAN CONTRACT



### Soybean Future Closing price

Contract	23.02.06	24.02.06	Chg
March	1217.50	1218.90	+1.40

### Expected Support and Resistance Levels

Contract	Supports	Resistances
March	1200.00	1229.00
	1194.00	1237.00

**Commodity: RAPESEED**

### Indicators

1. Candlestick showing bullish market sentiments.
2. Prices closed above 9-day and 18-day EMA showing bullish market sentiments.
3. %K line made bearish cross over with % D line and moving downward showing bearish sentiments.
4. MACD moving below its signal line with wide gap.

### Market advice:

Buy near 339.40, target near 340.50 and stop loss at 338.50.

### NCDEX MAY MUSTARD CONTRACT



### Mustard Future Closing price

Contract	23.02.06	24.02.06	Chg
May	339.45	340.30	+0.85

### Expected Support and Resistance Levels

Contract	Supports	Resistances
May	337.50	341.40
	336.00	343.00

## DOMESTIC MARKET COMMENTARY

### Soybean:

NCDEX March contract witnessed firm opening at 1219.0, highest value of the day and fall for next half an hour. Sentiments then tried to improve steadily up to 12.30 pm. Prices started to fall after 12.45 pm and reached to the days low 1213.1 at 1.45 pm. Then the prices witnessed little improvement and finally settled at 1218.9. Overall market sentiment remained indecisive. Prices at physical market decreased slight owing to recent outbreak of bird flu in India. Mandi rate at Indore was Rs.1140-1160/Qtl. Plant delivery also observed slight decline at Rs. 1190-1200 per qtl. In Madhya Pradesh, Maharashtra, Rajasthan markets arrivals were 60,000-70,000, 25,000-30,000 and 8000-10,000 bags respectively. Recent outbreak results decline in prices both in spot as well as futures market. Low demand from poultry industry results into low demand of DOC and soybean. Prices is expected to remain weak for another 1-3 days and trend is expected to remain bullish for medium term but may influenced by international trading reports. The long term trend expected to remain bullish owing to reduce arrivals and fast depleting stocks. Lahiri Committee report had bearish impact on oilseeds.

### Rapeseed/Mustard:

NCDEX May contract opened firm at 339.15 and ascend for next 30 minutes. Next 15 minute witnessed steep rise in prices at fetch today's high 341.0 at 10.45 am. The prices then came down and fall for next 15 minutes. Prices then again started for next another 15 minutes and ched to its lowest value 339.0 at 11.15 pm. Prices remain constant for some time and improved slightly then after. The prices finally settled at 340.30. Overall market sentiments remain bullish today. New mustard seed prices at physical market were remain range bound and steady with slight decline in few pockets. The prices of Jaipur, Alwar, Delhi and Agra are quoted at Rs 1650-1655, 1600, 1670-1675 and 1625 per quintal respectively. Arrival of mustard seed is reported to be 7000, 5000-6000, 400-500 bags in Jaipur Alwar and Delhi. Arrivals from Agra were quoted at 3900/(Q). Kota witnessed decline at spot market price at 1440-1470. Arrival from Kota is reported to be 12000 bags. Total arrival of Rajasthan is reported to be 125000 bags. Arrival increases with pace and new mustard seed started to flush in rajasthan market. Sugession of Lahiri report and announcement from agriculture ministry creates confusion in the market for probable increase or decrease on import duty. Long term futures is expected to remain bearish on account of arrival pressure of mustard seeds.

### Status of Price & Supply of the New Crop 24.02.06

Markets	Prices Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1650-1655	7000
Alwar(C)	1600	5000-6000
Delhi(C)	1670-1675	400-500

Agra(C) Katchi Ghani	1625	3900/(Q)
Sri Ganganagar (NC)	1460	100
Kota (NC)	1440-1470	12000

### Vayda Quotes

#### Mustard futures as on 24.02.06

Spot	M	PCP	O	H	Low	Ch	C
Delhi	MA	339.5	339.5	339.8	339.4	+0.3	339.8
Hapur	MA	348.7	349.1	349.2	348.3	-0.1	348.6
Hisar	MY	332.8	333.0	333.0	332.7	0	332.8

**M: Month; MA: MARCH; MY: May**

### Groundnut

Price for groundnut remains range bound and steady due to equality in demand and supply. Arrival of groundnut in the Gujarat market remained 45,000-50,000 bags. Groundnut seed in Rajkot Mandi traded at Rs 332 per 20 kg and groundnut oil at Rs 436 per 10 kg. Demand for groundnut seed remained same as that of previous day. Prices of groundnut oil decreased by Rs. 2 as compared to previous day price on account of lower demand and bearish impact of future market on physical market. The groundnut seed rate is expected to increase in long term due to depleting present stock.

### Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kg)	
	24.02.06	23.02.06
Gr Kernel	2165*	2160*
Bolds 60/70	2675*	2695*
Javas 60/70	3000*	3025*
Javas 70/80	2890*	2925*
Javas 80/90	2775*	2800*

**\*Plus Tax / Against Form, X CST Paid, @ VAT Exempted**

### CBOT

#### Soybean and Meal Low Oil Firm in CBOT

March Soybeans settled down 2.25 cents at \$5.7175/bushel, 5.75 cents off the high and 1.25 cents up from the low. May Soybeans settled down 1.75 cents at \$5.84/ bushel which was 1.75 cents up from the low and 6.25 cents off the high. March Soybean finished down \$0.9 at \$174.8/ton that was \$0.4 up from the low and \$1.2 off the high. March Soybean Oil finished up 0.01 cents at 22.76 cents/pound, 0.31 cents off the high and 0.19 cents up from the low. Forecast for more rain in next week help to pull the market down and had bearish impact on the market. Bird flu factor severely hit the soy meal demand from feed industry and talk about

cancellation of European consignment of soy meal from Brazil pull down the market to the lowest level since December 8<sup>th</sup>. Soy oil get some support from fund buying that results into its improvement. The Census crush report reveals January soybeans crushed at 151.49 million bushels as compared to the trade expectations near 152 million bushels. Meal stocks remain at 324,402 tonnes from expected 310,000-365,000 tonnes and oil stocks were at 2.477 billion pounds from expectations of 2.475 to 2.52 billion. Traders are Expecting for soybean sales from weekly export sales report between 400,000-600,000 tonnes as compared with 529,700 tonnes last week. Meal sales are expected in between 75,000-125,000 tonnes with oil near 1,000-6,000 tonnes.

#### CBOT Soybean Futures as on 23.02.06

Month	PCP	O	H	L	Ch	Close
Mar 06	574.0	574.4	577.4	570.4	-2.4	571.6
May 06	586.4	587.2	591.0	583.0	-1.8	584.6

#### Bird Flu and Rain Hit South American Soybean Futures

March South American soybeans settled 13.50 cents lower on Thursday to \$6.2250/ bushel which is down compared to previous closing. Bird flu severely hit the short-term demand of soy meal in international market which pulls the market down. Harvesting of soybean in Brazil is taking pace which further pressurized the market. Bountiful production with increased arrivals lowers the South American futures. Rain and cooler temperature this week coupled with additional rain in early next week lowers stress on crop in Argentina. Talk about European feed companies to cancelled or moved forward meal consignment was seen as a bearish factor as well. While there were some overall price gains in soybeans, including several rallies triggered by South American crop concerns, these were fairly rapidly capped in view of the very bearish global supply fundamentals and the slower than anticipated pace of US export sales.

#### LATEST WEATHER WATCH: 24.02.2006

##### Forecast valid for next 72 hours

Largely dry weather conditions are likely to prevail over most parts of the country during next 3-4 days. However, isolated light rain/thundershowers are likely over Arunachal Pradesh, Assam & Meghalaya and Sikkim. Under the

influence of a western disturbance, rain/snow is also likely at a few places over Jammu & Kashmir and isolated over Himachal Pradesh, Uttaranchal during next 2-3 days. Isolated rain/thundershowers are likely over adjoining plains of Punjab and north Haryana on 26<sup>th</sup> & 27<sup>th</sup>. Day and night temperatures continued to remain above normal by 4-6 °C over north & Central India. They were 6-8 °C above normal over parts of Rajasthan and Madhya Pradesh. Numerical model prediction suggests that these warm conditions are likely to continue during next 2-3 days. Thereafter a fall of 2-3° C in temperatures is expected.

**NORTH-WEST INDIA:** Rain/snow likely at a few places over Jammu & Kashmir and isolated over Himachal Pradesh and Uttaranchal. Isolated rain/thundershowers over Punjab and north Haryana on 26<sup>th</sup>. Mainly dry weather over the rest region.

**EAST INDIA:** Isolated rain/thundershowers likely over Sub- Himalayan West Bengal & Sikkim. Weather will be mainly dry over the rest region. Day & night temperatures are likely to remain 4-6°C above normal.

**NORTHEAST INDIA:** Rain/thundershowers are likely at a few places over Assam & Meghalaya and Arunachal Pradesh. Mainly dry weather over the rest region.

**SOUTH INDIA:** Isolated rain/thundershowers likely over Andaman & Nicobar Islands. Weather will be mainly dry over the rest region. Day temperatures likely to remain 2-3° C above normal. Night temperatures are likely to remain 2-3° C below normal.

**WEST INDIA:** Weather will be mainly dry over the region. Day and Night temperatures likely to remain markedly above normal over many parts of the region.

**CENTRAL INDIA:** Weather will be mainly dry over the region. Day temperatures are likely to remain 6-8° C above normal over the region.

**Source: MDI, GOI**

#### Forex Rate on 24.02.06

Country/Continent	Currency	Value in Rupees
USA	Dollar	44.50
European Union	Euro	52.99
United Kingdom	GBP	77.87
Japan	100 Yen	38.10

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