

## OILSEED

6<sup>th</sup> April, 2006

### VAT Restricts the Movement of Soybean and Mustard

## TECHNICAL ANALYSIS

### Commodity: SOYBEAN

#### Soybean:

##### Indicators

1. Candlestick showing slightly bullish market sentiments.
2. Prices closed between 9-day and 18-day EMA showing indecisive market sentiments.
3. %K is moving upward with %D line in over sold region indicating slight bullish sentiments.
4. MACD is approaching its signal line in negative zone showing possibility of bullish cross over.

##### Market advice:

Risk lovers can Buy above 1190.0, target near 1196.0 and stop loss at 1186.40.

##### Support and Resistance Levels:

The current support levels are at 1184.00 and 1178.00 marks and resistance levels are at 1203.00 and 1209.00 marks as very short term.

#### NCDEX APRIL SOYBEAN CONTRACT



#### Soybean Future Closing price

| Contract | 4.04.06 | 5.04.06 | Chg   |
|----------|---------|---------|-------|
| April    | 1192.10 | 1192.20 | +0.10 |

#### Expected Support and Resistance Levels

| Contract | Supports | Resistances |
|----------|----------|-------------|
| April    | 1184.00  | 1203.00     |
|          | 1178.00  | 1209.00     |

### Commodity: RAPESEED

#### Mustard:

##### Indicators

1. Candlestick showings slight bullish market sentiments.
2. Prices closed below 9-day and 18-day EMA showing bearish market sentiments.
3. %K line entered in the oversold region with %D line indicating bearish market sentiments.
4. MACD is moving down with divergence in negative zone indicating bearish sentiments likely to continue.

##### Market advice:

Sell below 335.80, target near 333.25 and stop loss at 337.50.

##### Support and Resistance Levels:

The current support levels are at 332.10 and 330.25 marks and resistance levels are at 336.50 and 337.90.

#### NCDEX MAY MUSTARD CONTRACT



| Mustard Future Closing price |         |         |       | Expected Support and Resistance Levels |                  |                  |
|------------------------------|---------|---------|-------|--|------------------|------------------|
| Contract                     | 4.04.06 | 5.04.06 | Chg   | Contract                               | Supports         | Resistances      |
| May                          | 334.90  | 335.10  | +0.20 | May                                    | 332.10<br>330.40 | 336.50<br>337.90 |

## DOMESTIC MARKET COMMENTARY

### Soybean:

Plant delivery prices remain still high in Indore including the 4% tax as per the norms of VAT in MP, while Mandi rate still trailing behind. Confusion in the market still persists regarding VAT and its after implication. CST also remain one of the main issue for determining the direction of the spot in coming days. Plant delivery rate quoted at Rs. 1205-1210 and Mandi rate ranged from Rs. 1000-1130. Average arrivals remain 25000-30000 from MP, 25000 from Maharashtra and arrivals from Rajasthan remain at 8000-9000 bags.

### Rapeseed/Mustard:

Prices decreased slightly in various locations due to huge arrival pressure. NAFED is procuring the mustard at MSP which is high enough to maintain in the range bound fashion. Prices are likely to move in a narrow range with slight fluctuation. The prices at different centers are tabulated below.

### Status of Price & Supply of the New Crop 5.04.06

| Markets              | Prices Rs/Qtl) | Arrivals (Bags) |
|----------------------|----------------|-----------------|
| Jaipur (C)           | 1580           | 15000-16000     |
| Alwar(C)             | 1500           | 7000-8000       |
| Delhi(C)             | 1650           | 2000            |
| Agra(C) Katchi Ghani | 1580           | 3750/(Q)        |
| Sri Ganganagar (NC)  | 1425           | 5000            |
| Kota (NC)            | -              | -               |

### Vayda Quotes

#### Mustard futures as on 5.04.06

| Spot  | M  | PCP   | O     | H     | Low   | Ch   | C     |
|-------|----|-------|-------|-------|-------|------|-------|
| Delhi | MY | 335.0 | 334.5 | 335.4 | 333.3 | +0.4 | 335.4 |
| Hapur | MY | 345.3 | 345.1 | 346.1 | 343.8 | +0.8 | 346.1 |
| Hisar | MY | -     | -     | -     | -     | -    | -     |

M: Month; MY: May

### Groundnut

Groundnut prices decreased slightly in Gujarat owing to low demand from the retail end. Groundnut seed in Rajkot Mandi traded at Rs 334 per 20 kg and groundnut oil at Rs 446 per 10 kg. The prices for seed and oil expected to improve after 1<sup>st</sup> week of April.

### Spot Rates of Groundnuts in Mumbai

| Groundnut | (Rates in Rs. Per 100 Kg) |
|-----------|---------------------------|
|           | 5.04.06      3.04.06      |

|             |       |       |
|-------------|-------|-------|
| Gr Kernel   | 2250* | 2215* |
| Bolds 60/70 | 2740* | 2770* |
| Javas 60/70 | 2720* | 2765* |
| Javas 70/80 | 2720* | 2765* |
| Javas 80/90 | 2625* | 2665* |

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

## CBOT

### CBOT Soy Futures Rally Down

May Soybeans settled down 6.25 cent at \$5.5875/bushel, 6.25 cent off the high and 1.25 cent up from the low. November Soybeans settled down 6.25 cent at \$5.90/bushel, which was 1 cent up from the low and 6.75 cent off the high. May Soybean Oil closed down 0.2 cent at 22.44 cent/pound, 0.22 cent off the high and 0.03 cent up from the low. Market pressurized heavily due to talk in the market about possible increase in the planting area in US, followed by scattered rains in Midwest, which enriched the soil moisture conditions for forth coming crop. It is expected to have a record crop in the spring season as well. Short-term demand is dwindling as the demand is shifting towards South America. Brazil weather experienced good weather for the harvest, which further added to its bearish tone. Commitment-of-Traders report with options showing a record speculative net short position.

### CBOT Soybean Futures as on 4.04.06

| Month   | PCP   | O     | H     | L     | Ch   | Close |
|---------|-------|-------|-------|-------|------|-------|
| May 06  | 565.0 | 563.0 | 565.0 | 557.4 | -6.4 | 558.6 |
| July 06 | 579.0 | 576.4 | 579.0 | 571.4 | -6.0 | 573.0 |

## LATEST WEATHER WATCH: 5.04.06

Due to continued incursion of moist southerly flow over northeastern states from the Bay of Bengal, thundershowers have occurred at many places over the region. This activity accompanied with hailstorm/squall at a few places is likely to continue during next 2-3 days. Thunderstorm activity with hailstorm/squall is also likely at a few places over West Bengal & Sikkim and isolated over Orissa, Jharkhand and Bihar. Mainly dry weather is likely over most other parts of the country. Temperatures over northwest and central parts of the country and are likely to increase.

**NORTH-WEST INDIA:** Mainly dry weather is likely over the region. Day temperatures over the region are likely to remain 2-4° C above normal.

**EAST INDIA:** Rain/thundershowers accompanied with hail/squall are likely at a few places over West Bengal & Sikkim and isolated over Bihar, Jharkhand and Orissa. Mainly dry weather is likely over East Uttar Pradesh.

**NORTHEAST INDIA:** Rain/thundershowers at many Places with hail/squall at a few Places are likely over the region.

**SOUTH INDIA:** Weather will be mainly dry over the region except isolated rain/thundershowers over Andaman & Nicobar Islands, South Interior Karnataka and Kerala.

**WEST INDIA:** Weather will be mainly dry over the region with increase in day temperatures.

**CENTRAL INDIA:** Weather will be mainly dry over the region. The day temperatures in this region also are likely to increase by 1-2° C.

**Outlook for subsequent two days based on NCMRWF and other numerical weather products:**

Scattered thundershowers activity over northeastern states is likely to continue. Scattered rain/snow is likely over the Western Himalayas on 9<sup>th</sup> -10<sup>th</sup> April.

**Source: IMD, GOI**

**Forex Rate on 5.04.06**

| Country/ Continent | Currency | Value in Rupees |
|--------------------|----------|-----------------|
| USA                | Dollar   | 44.69           |
| European Union     | Euro     | 54.83           |
| Japan              | 100 Yen  | 38.24           |
| United Kingdom     | GBP      | 78.59           |

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