

OILSEED DAILY

SOYBEAN

24th February 2007

SPOT MARKETS:

Steady decline in prices of soybean oil amidst selling pressure from solvent units, steady to firm port delivery rates for soymeal and restricted selling from farmers and stockists led soybean rates reflect mixed trend across spot markets. Against supply crunch for soybeans in Maharashtra, rates firmed up, elsewhere prices softened at the back of steady decline in offtake by plants.

FUTURES MARKET: -

The March contract of soybeans at NCDEX opened at Rs 1465/qrtl against previous closing levels of 1466.95/qrtl. Steady soymeal and weak soybean oil sentiments amidst higher selling interest led the contract close at Rs 1448.25/qrtl, Rs 18.70 below the previous closing levels.

PRICE DRIVERS:

1. Arrivals declined in Maharashtra.
2. Firm to steady port delivery rates for soymeal.
3. Steady to weak sentiments for soy oil in domestic market.
4. Steady decline in inventories of soybeans at processors end

WEATHER:

Isolated rains over western and eastern MP, Madhya Maharashtra within 48 hrs would not affect trade as it falls on weekends when major markets remain close and witness very little market activity.

TECHNICALS: -

Prices couldn't sustain recent gains and declined sharply to close just near 9 day EMAs, which indicate decline in positive momentum. MACD became steady in positive territory. Stochastic is also positive, however overbought levels warrant some caution on the part of bulls. Open interest declined considerably in comparison to marginal decline in Volumes.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - March	1438	1444	1448.25	1460	1465

Trade Recommendation:

Sell NCDEX March Soybean contract below 1454 with target T1 at 1447. Put SL at 1457.

SPOT MARKET PRICES: -

Markets	Market	23.02.07	22.02.07	Change	Arrivals (Bags)
Indore	Plant	1445-1465	1450-1475	-10	60,000 to 70,000 in MP
Indore	Mandi	1390-1410	1370-1415	-5	
Maharashtra	Plant	1460-1485	1470	+15	20,000
Maharashtra	Mandi	1440-1450	1415-1430	+20	
Kota	Plant	1420-1430	1440	-10	13,000-18,000 Rajasthan
Kota	Mandi	1380	1365-1375	+5	

MUSTARD

SPOT MARKETS:

Amidst rumors of relaxing import duty on edible oils well before budget session so as to contain inflation, prices of mustard oil have softened considerably amidst selling pressure from expeller units. Plants have reduced offtake in the market on account of which resellers quoted lower rates. Steady increase in influx of mustard seeds across major markets has mounted pressure on prices to ease down further. No other significant change reported.

FUTURES MARKET: -

The NCDEX May contract of mustard seeds opened at Rs 380.40/20 Kg against previous closing levels of Rs 381.35/20Kg. Lack of strong fundamentals amidst higher selling pressure led the contract to close at Rs 373.60/20 Kg, Rs 7.75 below the closing levels.

PRICE DRIVERS:

1. NAFED has stopped sale of mustard seeds.
2. Resellers quoted lower rates for seeds.
3. Harvesting of mustard seeds in progress at MP and Rajasthan.
4. Fresh arrivals for Toria have begun.
5. Weak demand for mustard oil.

WEATHER:

Precipitation over North-West India and Rajasthan from 24th to 25th of this month. Rains would prove productive for late sown and long duration varieties of mustard crop.

TECHNICALS

Candlestick shows steep decline in prices, which supports recent bearishness. The prices closed below 9 day and 18 day EMAs, which supports the current bearish trend. Stochastic is negative in oversold region. MACD is also showing continued increase in bearish momentum. Volumes increased and Open Interest declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	367	370	373.60	381	384

Trade Recommendation:

Sell NCDEX Mustard May contract below 376 with target T1 at 373 and T2 at 371. Put SL at 378.

Status of Price & Supply of Mustard (Rs./Qtl)

Markets	23.02.07	22.02.07	Change	Arrivals (Bags)
Jaipur (C)	1800	1815	-15	-
Alwar(C)	1710	1710	0	600-700
Delhi(C)	1880	1885	-5	500-600
Agra(C)/Katchi Ghani	1900/4400	1950/4400	-50	-
Sri Ganganagar (NC)	1640	1650	-10	150-200
Kota (NC)	-	1600-1610	-	25,000-40,000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Rates for groundnut oil firmed up on account of good demand from retail end amidst supply crunch for nuts. Weakness in substitute edible oil didn't have had any impact on groundnut oil sentiments. Total daily arrivals for nuts stood in a range of 15,000 to 22,000 bags. Rates for different qualities of nuts across different centres in the states were reported in a range of Rs 410 to 490/20 Kg. Prices for groundnut oil was quoted at Rs 645 to Rs 650 per 10 Kg.

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