

OILSEED DAILY

SOYBEAN

07th February 2007

SPOT MARKETS:

Soybeans prices eased down across domestic market amidst sluggish BMD and shift of stockist's interest to mustard. Soybeans arrivals stood steady domestically with reduced offtake from crushers and solvent units as currently are higher to crushing margin of soy oil. The sluggish demand for soy oil these days had underlying bearish impact. However steady sentiments for soy meal in domestic market would keep the prices from falling down further in near term.

FUTURES MARKET: -

The most active March contract of soybeans at NCDEX opened at Rs 1445/qrtl as compared to previous closing at Rs 1449.7/qrtl. Weak soy oil futures and lack of fresh fundamental news for long term demand had strong bearish impact on soybeans futures and March contract closed at Rs 1436.6/qrtl, Rs 13.1 down to previous closing level.

PRICE DRIVERS:

1. Steady overall beans arrivals
2. Bearish BMD and mixed overnight CBOT
3. Reduced offtake by crushers/solvent units.
4. Downfall in production of substitute oilseeds.

WEATHER:

Mainly dry weather in major growing areas (except North Rajasthan) would facilitate beans arrivals.

TECHNICALS: -

Soybean charts are turning bearish after two consecutive losses. The prices closed below EMAs shows weakness in the market. Stochastic are positive in neutral region, MACD is showing some increase in bullish momentum. The prices might see volatile movements with bearish bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - March	1420	1428	1436.6	1451	1460

Trade Recommendation:

Sell NCDEX March Soybean contract below 1441 with target of 1429. Put SL at 1447.

SPOT MARKET PRICES: -

Markets	Market	06.02.07	05.02.07	Change	Arrivals (Bags)
Indore	Plant	1430-1450	1430-1460	0	75,000-80,000 M.P.
Indore	Mandi	1375-1400	1360-1400	+15	
Maharashtra	Plant	1470	1480	-10	60,000-65,000 Maharashtra
Maharashtra	Mandi	1430-1460	1450-1460	-20	
Kota	Plant	1390-1410	1405-1425	-15	20,000-22,000 Rajasthan
Kota	Mandi	1340-1365	1350-1365	-10	

MUSTARD

SPOT MARKETS:

NAFED kept mustard seeds prices unchanged on second consecutive day. Fresh arrivals of mustards seeds reported in Kota division had bearish impact. In Jaipur region, stockists fall short of expectations of bullish sentiments ahead and released mustard seeds in good quantity resulting overall arrivals improved by 5,000-6,000 bags reflected bearishness. The progress of harvests in Kota division and in parts of Madhya Pradesh would have bearish impact on mustard seeds prices in coming days.

FUTURES MARKET: -

The most active February contract of mustard seeds futures at NCDEX opened at Rs 370.35/20Kg as compared to previous closing of Rs 370.7/20Kg. Mustard seeds futures February contract further eased on aforesaid factors and contract closed at Rs 370/20 Kg, Rs 0.7 down to previous closing price levels.

PRICE DRIVERS:

1. Nafed kept unchanged mustard seeds
2. Reduced acreage under mustard
3. Gradually depleting private seed stocks.
4. Harvest begin in part of Rajasthan and Madhya Pradesh

WEATHER:

The mainly dry weather likely over Rajasthan (except Northern parts) would be supportive for harvesting.

TECHNICALS

Mustard charts are showing bearish sentiments in the market. The prices closed below short term EMAs, which is a negative sign, however doji formation of candlestick shows indecision in the market. Stochastic has also made bearish crossover in neutral region. However, MACD is showing some increase in bullish momentum. The prices are likely to remain on the softer side.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - Feb	367	366	370	373	376

Trade Recommendation:

Risk lovers can Sell NCDEX Mustard Feb contract below 371 with target of 368 and then 367. Put SL at 373.

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

Markets	06.02.07	05.02.07	Change	Arrivals (Bags)
Jaipur (C)	1850-1870	1870-1875	-20	15,000
Alwar(C)	1760-1770	1770-1780	-10	500-600
Delhi(C)	1935	1930	+5	200-300
Agra(C)/Katchi Ghani	2025/4500	2025/4500	0	
Sri Ganganagar (NC)	1680	1680	0	300
Kota (NC)	1600-1650	NA	-	2200-2300

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Spot market sentiments remained bullish on limited availability quality seeds and steady crushing, steady oilmeal and edible oil sentiments supported the prices today. Arrivals were reported to be steady in a range of 20,000 to 25,000 bags. Rates for seeds were reported to be around Rs 425 to 475/20 Kg. Prices for groundnut oil was quoted at Rs 620 to 635 per 10 Kg

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