

OILSEED DAILY

SOYBEAN

23rd February 2007

SPOT MARKETS:

Amidst good to firm demand for soymeal at ports, arrivals improved across spot markets in MP and Maharashtra, as solvent units continued offtake at prevailing plant delivery rates for soybean. Solvent units are building up their inventories under assumption that festive demand for soybean oil would catch pace soon and would fetch better prices for soybean oil in near future. Steady to firm port delivery rates for soymeal is said to be one of the factors that have aided soybean rates to firm up across spot markets.

FUTURES MARKET: -

The March contract of soybeans at NCDEX opened at Rs 1460/qrtl against previous closing levels of 1454.65/qrtl. Firm soymeal rates at ports amidst higher buying interest supported the contract to close at Rs 1466.95/qrtl, Rs 12.30 above the previous closing levels.

PRICE DRIVERS:

1. Improved arrivals for soybeans in MP and Maharashtra.
2. Firm 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:

Mainly dry weather is likely over the central and western India regions.

TECHNICALS: -

Prices extended the recent gains and managed to close above short term EMAs, which indicate firmness in the market. Rising MACD in the positive territory shows increasing bullish momentum. Stochastic is also positive, however overbought levels warrant some caution on the part of bulls. Both Volume and Open Interest increased supporting the positive move.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - March	1455	1460	1466.95	1473	1477

Trade Recommendation:

Buy NCDEX March Soybean contract above 1466 with target T1 at 1470. Put SL at 1464.

SPOT MARKET PRICES: -

Markets	Market	22.02.07	21.02.07	Change	Arrivals (Bags)
Indore	Plant	1450-1475	1440-1465	+10	70,000 to 80,000 in MP
Indore	Mandi	1370-1415	1390-1410	+5	
Maharashtra	Plant	1470	1470	0	45,000-50,000
Maharashtra	Mandi	1415-1430	1415-1430	0	
Kota	Plant	1440	1420-1430	+10	13,000-20000 Rajasthan
Kota	Mandi	1365-1375	1365-1375	0	

MUSTARD

SPOT MARKETS:

Amidst weak sentiments for mustard oil in domestic market, solvent units have shown little interest to continue offtake at prevailing market prices. Resellers quoted lower rates against sluggish demand and fresh arrivals for Rabi mustard across major mandis in Rajasthan. Well before the start of seeds procurement by NAFED, traders are waiting for market direction after budget session.

FUTURES MARKET: -

The NCDEX May contract of mustard seeds opened at Rs 381.6/20 Kg against previous closing levels of Rs 380.70/20Kg. Lack of strong fundamentals amidst higher selling pressure led the contract to close at Rs 381.35/20 Kg slightly above 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 has formed a doji pattern, which indicates indecision at lower levels. 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 and Open Interest declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	372	375	381.35	387	390

Trade Recommendation:

Sell NCDEX Mustard May contract below 382 with target T1 at 378. Put SL at 384.

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

Markets	22.02.07	21.02.07	Change	Arrivals (Bags)
Jaipur (C)	1815	1830-35	-20	-
Alwar(C)	1710	1725-1730	-20	400-500
Delhi(C)	1885	1900	-15	500-600
Agra(C)/Katchi Ghani	1950//4400	1950-1975	-25	-
Sri Ganganagar (NC)	1650	1650	0	200
Kota (NC)	1600-1610	1600-1625	-15	25,000-50,000

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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