

OILSEED DAILY

SOYBEAN

14th February 2007

SPOT MARKETS:

Amidst softening prices of soybean across spot markets, stockists have restricted selling beans in bulk, thereby creating virtual scarcity of beans. Following it rates firmed up across plants where crushing has been reported to be continuous and demand consistent amidst firm port delivery rates for soymeal at ports. A marked decrease in arrivals in MP and steady supply pressure in Rajasthan and Maharashtra kept the rates rang bound and sentiments almost steady.

FUTURES MARKET: -

The March contract of soybeans at NCDEX opened at Rs 1425/qtl against the previous closing at Rs 1424.45/qtl. Firm soymeal sentiments in domestic and overseas market amidst slight improvement in soy oil sentiments helped contract trade firm. The contract closed at Rs 1434/qtl, Rs 9.55 above the previous closing level.

PRICE DRIVERS:

1. Marked decline in daily arrivals.
2. Steady to firm soy oil in domestic market.
3. Firm soybean and soymeal at CBOT
4. Firm port delivery rates for soymeal.
5. Restricted selling from stockists.

WEATHER:

Rain/thundershower at a few places over north Madhya Pradesh and isolated over the rest region during next 24th hours and decrease thereafter.

TECHNICALS: -

Candlesticks indicate bullishness. The prices closed below both the EMAs. Stochastic is on the verge of making a bullish crossover in the oversold region; MACD is steady in negative region indicating likely steady sentiments ahead. Volume declined and Open Interest increased.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - March	1410	1417	1424.45	1447	1453

Trade Recommendation:

Buy NCDEX March Soybean contract above 1426 with target T1 at 1436 and T2 at 1442. Put SL at 1420.

SPOT MARKET PRICES: -

Markets	Market	13.02.07	12.02.07	Change	Arrivals (Bags)
Indore	Plant	1410-1425	1420-1430	-5	45,000-50,000 M.P.
Indore	Mandi	1340-1360	1340-1380	-20	
Maharashtra	Plant	1440-1445	1450-1460	-15	20,000 Maharashtra
Maharashtra	Mandi	1390-1420	1400-1410	+10	
Kota	Plant	1390-1410	1390-1405	+5	12,000-15,000 Rajasthan
Kota	Mandi	1340-1350	1340-1350	0	

MUSTARD

SPOT MARKETS:

No significant change was reported, as NAFED didn't sell the seeds today, thereby creating wave of uncertainty over market direction. Millers continued their regular offtake in Jaipur region against continuous crushing. Amidst lack of price revisions by farmers' cooperative, resellers quoted slightly higher rates for mustard seeds, thus firming up rates in Jaipur. Anticipation over crop loss due to bad weather conditions has been attributed to be one of the factors for underlying bullishness at few spot markets.

FUTURES MARKET: -

The NCDEX May contract of mustard seeds opened at Rs 388.25/20Kg against previous closing at Rs 385.95/20Kg. Higher buying interest and firm spot market sentiments helped contract trade firm. The contract closed at Rs 391.70/20 Kg, Rs 5.75 above the previous closing price levels.

PRICE DRIVERS:

1. Nafed didn't sell off seeds today
2. Resellers quoted seeds as per market trend.
3. Harvesting of mustard seeds in progress at MP and Rajasthan.
4. NAFED to dispose off seeds and oil till Feb end.
5. News of crop loss on account of heavy rainfalls.

WEATHER:

Rain/thundershowers are likely at many places over Punjab, Haryana, Chandigarh, Delhi and West Uttar Pradesh accompanied with isolated hail/squall during next 24 hours and decrease thereafter.

TECHNICALS

An unfilled candlestick reflects bullish sentiments. The prices closed below 9 day and 18 day EMAs, which is a negative sign. However, Stochastic has made a bullish cross over in oversold region and MACD headed upwards, indicating technical corrections and improvement in sentiments ahead. Volume increased and Open Interest declined marginally.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	380	383	385.95	397	400

Trade Recommendation:

Risk lovers can Buy NCDEX Mustard Feb contract above 389 with target T1 at 393. Put SL at 387.

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

Markets	13.02.07	12.02.07	Change	Arrivals (Bags)
Jaipur (C)	1850-1855	1835-1840	+15	10,000 - 15,000
Alwar(C)	1750	1740-1750	0	400-500
Delhi(C)	1900	1910	-10	300-500
Agra(C)/Katchi Ghani	1950/4500	1950/4500	0	-
Sri Ganganagar (NC)	1670	1650	+20	200-300
Kota (NC)	-	1580-1660	-	2000-2200

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

No significant change was reported today also except for slight improvement in rates for groundnut oil. Good availability of other edible oils in the market has kept the sentiments steady amidst lack of strong fundamentals. Rates for different qualities of nuts across different centres in the states were reported in a range of Rs 410 to 470/20 Kg. Prices for groundnut oil was quoted at Rs 620 to Rs 625 per 10 Kg.

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