

OILSEED DAILY

SOYBEAN

28th February 2007

SPOT MARKETS:

An uneasy anticipation over budget was well reflected in today's spot market sentiments. Rates for soybean remained range bound and market sentiments reflected steady tone. No significant change was reported today, market tracked yesterday's spot market moves except for weakness noticed in demand for soybean oil in domestic market. Beside the very observation, steady to firm port delivery rates for soymeal and steady arrival pressure for soybeans were the key factors that decided spot market moves

FUTURES MARKET: -

The most active April contract of soybeans at NCDEX opened at Rs 1479.55/qrtl against previous closing levels of 1485.40/qrtl. Steady soymeal and weak soybean oil sentiments amidst selling pressure pushed the contract to close at Rs 1475.05/qrtl, Rs 10.35 below the previous closing levels.

PRICE DRIVERS:

1. Steady supply pressure of beans.
2. Steady port delivery rates for soymeal.
3. Weak sentiments for soy oil in domestic market.
4. Gradual decline in inventories of soybeans at processors end

WEATHER:

Mainly dry weather is likely over central India regions to facilitate arrivals.

TECHNICALS: -

Prices closed above the 9-day and 18 day EMA amidst certain level of tentativeness at higher levels. MACD is moving up in positive territory. Stochastic is heading down. Overbought levels warrant caution on the part of bulls. Volumes declined considerably in relation to Open Interest.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - April	1470	1475	1475.05	1490	1495

Trade Recommendation:

Sell NCDEX April Soybean contract below 1484 with target T1 at 1479. Put SL at 1486.

SPOT MARKET PRICES: -

Markets	Market	27.02.07	26.02.07	Change	Arrivals (Bags)
Indore	Plant	1450-1475	1450-1475	0	80,000 in MP
Indore	Mandi	1370-1400	1360-1400	0	
Maharashtra	Plant	1490	1480	+10	20,000
Maharashtra	Mandi	1420-1430	1420-1460	-30	
Kota	Plant	1425-1435	1425-1435	0	10,000 - 12,000 Rajasthan
Kota	Mandi	1390-1405	1380-1390	+15	

MUSTARD

SPOT MARKETS:

Resellers quoted higher rates for mustard seeds in Delhi and Alwar region at the back of good offtake by expeller units. Stockists were learnt to be disposing stocks of mustard seeds [Procured from NAFED] as fresh harvest is likely to put pressure on prices after 'Holi'. Slight firmness noticed in mustard oil demand prevented prices of mustard seeds to soften amidst steady arrivals, normal offtake and lack of fresh fundamentals.

FUTURES MARKET: -

The NCDEX May contract of mustard seeds opened at Rs 380/20 Kg against previous closing levels of Rs 381/20Kg. Amidst indecisiveness over price direction the contract closed at Rs 379.65/20 Kg, slightly near the closing levels.

PRICE DRIVERS:

1. Resellers quoted higher rates for seeds in Delhi and Alwar.
2. Harvesting of mustard seeds in progress at MP and Rajasthan.
3. Adverse weather over Rajasthan hampered daily arrivals.
4. Steady to firm demand for mustard oil.

WEATHER:

Rain/thundershowers are likely at many places over Punjab, north Haryana & Chandigarh; at a few places over south Haryana & Delhi and West Uttar Pradesh, North and South Rajasthan during next 48 hours. Isolated hail/squall is likely over the region. Rains are productive for standing crop. Higher temperatures are detrimental for the mustard seed setting.

TECHNICALS

Long legged Doji formation indicates great amount of indecision in the market. Prices traded well below and above the session opening levels but closed near the opening levels. Stochastic is moving northwards after crossing the mark for oversold region. MACD is heading up. Volumes and Open Interest declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	370	374	379.65	386	390

Trade Recommendation:

Sell NCDEX Mustard May contract below 381 with target T1 at 376. Put SL at 383.

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

Markets	27.02.07	26.02.07	Change	Arrivals (Bags)
Jaipur (C)	1810-1815	1810-1815	0	-
Alwar(C)	1720-1725	1710	+15	700-800
Delhi(C)	1875-1880	1850-1860	+20	600-700
Agra(C)/Katchi Ghani	1975/4500	1975/4500	0	-
Sri Ganganagar (NC)	1630	1630	0	150-200
Kota (NC)	1640-1650	1650	0	20,000-25,000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Rates for groundnut oil and nuts remained range bound amidst lack of strong fundamentals. 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 488/20 Kg. Prices for groundnut oil was quoted at Rs 642 per 10 Kg.

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