

OILSEED DAILY

SOYBEAN

12th February 2007

SPOT MARKETS:

Higher selling pressure for soy oil, firm port delivery rates for soymeal, sharp decline in daily average arrivals, steady demand from solvent units & stockists; amidst weekend trading have had its affect felt on routine trading. The very factors led sentiments reflect mixed trend. Major mandis in Maharashtra and MP were closed on account of weekends.

FUTURES MARKET: -

The most active March contract of soybeans at NCDEX opened at Rs 1438/qtl against the previous closing at Rs 1435.85/qtl. The contract managed to recover during early session but couldn't sustain gains against counterbalancing affect of firm soymeal at ports and weak soy oil in domestic market. The contract closed at Rs 1432.30/qtl slightly below the previous closing level.

PRICE DRIVERS:

1. Sharp decline in bean arrivals.
2. Bearish 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 is likely at a few places over north Madhya Pradesh and isolated over the south MP. Rain/thundershowers are likely at many places over Rajasthan and isolated over Gujarat & North Madhya Maharashtra.

TECHNICALS: -

Candlesticks indicate slight recovery but under bearish tone. The prices closed below both the EMAs. Stochastic is moving down steadily and is on the verge of entering into oversold region; MACD is scaling down steadily into negative region indicating likely weakness ahead. Both Volume and Open Interest declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - March	1425	1431	1435.85	1446	1452

Trade Recommendation:

Sell NCDEX March Soybean contract below 1442 with target T1 at 1435. Put SL at 1445.

SPOT MARKET PRICES: -

Markets	Market	10.02.07	09.02.07	Change	Arrivals (Bags)
Indore	Plant	1415-1430	1415-1435	-5	35,000-40,000 M.P.
Indore	Mandi	1360-1380	1365-1380	0	
Maharashtra	Plant	1450-1460	1410-1420	+40	30,000 Maharashtra
Maharashtra	Mandi	1340-1375	1360-1400	-25	
Kota	Plant	1390-1410	1405-1410	0	5000-8000 Rajasthan
Kota	Mandi	1340-1355	1330-1350	+5	

MUSTARD

SPOT MARKETS:

NAFED kept the prices of mustard seeds [Stocked during 2005-06 season] unchanged. For Jaipur and Alwar region rates stood at Rs 1750/qtl and for other centres it stood at Rs 1700/qtl. Amidst bad weather condition, weekend trading and depleting stock of old mustard seed stocks, arrivals declined sharply against good demand for mustard oil from West Bengal. Resellers quoted higher rates to take advantage of growing demand.

FUTURES MARKET: -

The NCDEX February contract of mustard seeds opened at Rs 365.50/20Kg against previous closing at Rs 364.70/20Kg. Firm mustard seed futures in Hisar and Delhi exchange had a spill over affect on mustard seed futures in NCDEX, allowing the contract to trade firm amidst higher selling interest. The contract closed at Rs 363/20 Kg, slightly below the previous closing price levels.

PRICE DRIVERS:

1. Nafed kept the prices unchanged for mustard seeds
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. Demand for mustard oil from West Bengal.

WEATHER:

Rain/thundershowers are likely at many places over Punjab, Haryana, Chandigarh, Delhi, Rajasthan and West Uttar Pradesh.

TECHNICALS

Candlestick reflects selling pressure amidst slight recovery. The prices closed below 9 day and 18 day EMAs, which is a negative sign. Both Stochastic and MACD are surging down indicating weak sentiments ahead. Volume declined sharply and Open Interest declined marginally.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - Feb	354	358	364.70	367	370

Trade Recommendation:

Risk lovers can Sell NCDEX Mustard Feb contract below 363 with target of 361. Put SL at 365.

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

Markets	10.02.07	09.02.07	Change	Arrivals (Bags)
Jaipur (C)	1840	1830	+10	7,000-8,000
Alwar(C)	1750	1740	+10	300-450
Delhi(C)	1900	1915	-15	500-600
Agra(C)/Katchi Ghani	1900/4450	1925/4500	-25	-
Sri Ganganagar (NC)	1650	1640	+10	200-300
Kota (NC)	1580-1640	1600-1620	+20	1000-1500

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. Arrivals were reported to be steady in a range of 20,000 bags. 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 610 to Rs 620 per 10 Kg.

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