

OILSEED DAILY

SOYBEAN

21st February 2007

SPOT MARKETS:

Firm demand for Indian soymeal in overseas market, steady demand for soy oil, good influx of beans has led rates to firm at few places but mostly remained range bound. Amidst good crushing pace for beans reported from solvent units, the buffer stocks available with them is said to last till end of this month. Against firm prices for beans stockists have disposed off beans and are looking for prices to firm up further by first fortnight of March when they would unload the stocks steadily. Offtake from plants is continuous and solvent units are disposing meal in bulk to avail better prices.

FUTURES MARKET: -

The March contract of soybeans at NCDEX opened at Rs 1443/qrtl against previous closing levels of 1442.80/qrtl. Firm soymeal rates at ports amidst higher buying interest led the contract close at Rs 1452/qrtl, well above the previous closing levels.

PRICE DRIVERS:

1. Good arrival for soybeans in MP and Maharashtra.
2. Firm port delivery rates for soymeal.
3. Steady 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: -

Candlestick with short upper shadow reflects bullish trend. The prices managed to close above both the EMAs indicating positive sentiments. Stochastic has become steady at current levels; MACD is moving up in positive region. Volume increased and Open Interest declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - March	1438	1442	1452.00	1453	1456

Trade Recommendation:

Buy NCDEX March Soybean contract above 1448 with target T1 at 1451. Put SL at 1446.

SPOT MARKET PRICES: -

Markets	Market	20.02.07	19.02.07	Change	Arrivals (Bags)
Indore	Plant	1440-1465	1440-1465	0	80,000 in MP
Indore	Mandi	1370-1405	1370-1400	+5	
Maharashtra	Plant	1440-1475	1470	+5	65,000
Maharashtra	Mandi	1410-1445	1415-1440	+5	
Kota	Plant	1420-1435	1420-1435	0	10,000-12,000 Rajasthan
Kota	Mandi	1350-1375	1380-1385	-10	

MUSTARD

SPOT MARKETS:

Ramganj mandi in Kota district, Bhawani mandi in Jhalwara district, Barang mandi in Bangra district and other districts in Rajasthan have witnessed good arrivals of Rabi mustard seed crops. Good influx of mustard seeds, steady demand for mustard oil at the back of good crushing and stockpiling with stockists amidst good demand for rapeseed oil cake from feed industry were instrumental in deciding spot market sentiments. Fresh arrivals of mustard seeds are likely to increase after Holi as per stated by market observers.

FUTURES MARKET: -

The NCDEX May contract of mustard seeds opened at Rs 381/20 Kg against previous closing levels of Rs 381.30/20Kg. Good buying support-helped contract recover to close at Rs 383/20 Kg.

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. Steady demand for mustard oil.

WEATHER:

Clear weather reported over mustard growing regions. Isolated rain/thundershowers are likely over Punjab on 21st.

TECHNICALS

Unfilled candlestick indicates slight recovery amidst downward rally. The prices closed below 9 day and 18 day EMAs, which is a negative sign. Stochastic has made a bearish crossover & is moving down and MACD has moved down further into negative territory. Both Volumes and Open Interest declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	372	376	383.00	387	390

Trade Recommendation:

Sell NCDEX Mustard May contract below 383 with target T1 at 379. Put SL at 385.

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

Markets	20.02.07	19.02.07	Change	Arrivals (Bags)
Jaipur (C)	1840	1865	-25	10,000 -12,000
Alwar(C)	1725-1730	1740	-10	600-800
Delhi(C)	1900	1920-1925	-25	500-600
Agra(C)/Katchi Ghani	2000/4600	2000/4600	0	-
Sri Ganganagar (NC)	1645	1650	-5	200-300
Kota (NC)	1625-1630	-	-	8,000-12,000

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. 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 645 to Rs 648 per 10 Kg.

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