

OILSEED DAILY

1st March, 2007

SOYBEAN

SPOT MARKETS:

Spot markets reflected bearish sentiments. An uneasy anticipation over budget was well reflected on rates of soybean across spot markets. Resellers quoted lower rates for soybean sold on Wednesday. Port delivery rates for soymeal softened at the back of weak soymeal sentiments in overseas. Evidently, arrivals too kept its steady pace. No significant change in demand for soybean was noticed from plants, which continued their offtake but in lesser proportions. However, demand for soybean oil firmed up during second half of trading when 'Centre' left import duty on soybean oil unchanged during budget session on Wednesday. The spill over affect is likely to be observed for tomorrow's trading for soybean.

FUTURES MARKET: -

The most active April contract of soybeans at NCDEX opened at Rs 1474.91/ctl against previous closing levels of 1475.40/ctl. Firm soybean oil sentiments during second half of trading amidst buying interest pushed the contract to close at Rs 1482/ctl, Rs 6.60 above 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 except for isolated rains over North MP. Arrivals are likely to

TECHNICALS: -

Prices managed to close above previous day's settlement price. Despite higher selling interest prices closed above the 9-day and 18 day EMA. MACD is moving up in positive territory. Stochastic has made a bullish crossover indicating positive sentiments ahead. Volumes increased considerably in relation to Open Interest.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - April	1470	1475	1482	1491	1498

Trade Recommendation:

Buy NCDEX April Soybean contract above 1481 with target T1 at 1487. Put SL at 1478.

SPOT MARKET PRICES: -

Markets	Market	28.02.07	27.02.07	Change	Arrivals (Bags)
Indore	Plant	1450-1470	1450-1475	-5	70,000 in MP
Indore	Mandi	1320-1390	1370-1400	-10	
Maharashtra	Plant	1480-1490	1490	0	15,000 - 20,000
Maharashtra	Mandi	1410-1425	1420-1430	-5	
Kota	Plant	1400-1430	1425-1435	-5	10,000 - 12,000 Rajasthan
Kota	Mandi	1360-1390	1390-1405	-15	

MUSTARD

SPOT MARKETS:

Arrival pressure of mustard seeds in Ganganagar is likely to start off by 1st week of April. Jaipur didn't witnessed fresh arrivals. Alwar and Delhi registered steady arrival pressure as resellers sold seeds procured from NAFED. Total arrivals of mustard seeds in Rajasthan market was reported to be from 70,000 to 80,000 bags as on Wednesday. As per traders, around 30,000 to 35,000 bags of mustard seeds had arrived in MP and around 20,000 to 22,000 bags had arrived in Gujarat on Wednesday. Steady demand for mustard oil aided regular offtake from expeller units, however, arrival pressure from fresh mustard seeds kept the prices range bound to firm at few places.

FUTURES MARKET: -

The NCDEX May contract of mustard seeds opened at Rs 379.05/20 Kg against previous closing levels of Rs 379.7/20Kg. The mustard seed contract overcame the yesterday's indecisiveness over price direction and traded on higher side amidst general firmness in edible oil to close at Rs 383.75/20 Kg, Rs 4.05 above the previous closing levels.

PRICE DRIVERS:

1. Resellers quoted higher rates at few places.
2. Harvesting of mustard seeds in progress at MP Gujarat and Rajasthan.
3. Total arrivals of mustard seeds improved.
4. Steady to firm demand for mustard oil.

WEATHER:

Isolated hail/squall is likely over the North West India and Rajasthan region within 24 hrs. Rains are productive for standing crop. Higher temperatures are detrimental for the mustard seed setting.

TECHNICALS

Prices closed between 9 day and 18 day EMA well above the previous settlement prices, indicating firmness during short term. Stochastic is moving northwards after crossing the mark for oversold region. MACD is heading up thus indicating positive sentiments ahead. Volumes increased considerably and Open Interest declined marginally.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	375	378	383.75	390	394

Trade Recommendation:

Buy NCDEX Mustard May contract above 382 with target T1 at 385 and T2 at 389. Put SL at 380.

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

Markets	28.02.07	27.02.07	Change	Arrivals (Bags)
Jaipur (C)	1820	1810-1815	+5	-
Alwar(C)	1700-1720	1720-1725	-5	500-700
Delhi(C)	1880	1875-1880	0	300-400
Agra(C)/Katchi Ghani	1975/4600	1975/4500	0	-
Sri Ganganagar (NC)	1640	1630	+10	150-200
Kota (NC)		1640-1650		20,000

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 640 to 641 per 10 Kg.

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