

OILSEED DAILY

SOYBEAN

05th February 2007

SPOT MARKETS:

Today, rates for soybean moved up across domestic markets on bullish advice from firmed CBOT. Steady offtake was reported from solvent units to pile up their buffer stock on fall short of expectation of lower beans prices in coming days as compared to current rate. Arrivals in Maharashtra improved by 10,000-15,000 bags. Resellers were also stood active in releasing beans in the market. Firmed vegetable oil prices supported the bullish sentiment too.

FUTURES MARKET: -

The benchmark March contract of soybeans at NCDEX opened at Rs 1453/ctl as compared to previous closing at Rs 1449.7/ctl. Follow through rallies and acceleration from bullish CBOT ends with speculative buying on soybeans March contract of soybean and contract closed at Rs 1455/ctl, Rs 5.3 high to previous closing level.

PRICE DRIVERS:

1. Arrivals improved in Maharashtra
2. Bullish USDA weekly exports sales estimation
3. Bullish CBOT
4. Steady soymeal sentiments at ports

WEATHER:

Mainly dry weather (except forecast of isolated rainfall in West Rajasthan) in major growing areas would facilitate beans arrivals.

TECHNICALS: -

Soybean charts are showing some improvement in the market sentiments. The prices closed above EMAs, which shows firmness is coming back in the market. Stochastic has made bullish crossover. MACD is also showing some increase in bullish momentum. The prices are likely to recover further.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - March	1443	1438	1455	1464	1453

Trade Recommendation:

Buy NCDEX March Soybean contract above 1451 with target of 1462 and then 1468. Put SL at 1444.

SPOT MARKET PRICES: -

Markets	Market	03.02.07	02.02.07	Change	Arrivals (Bags)
Indore	Plant	1430-1450	1420-1445	+10	70,000-75,000 M.P.
Indore	Mandi	1390-1410	1370-1390	+20	
Maharashtra	Plant	1480	1460-1465	+20	40,000-45,000 Maharashtra
Maharashtra	Mandi	1440-1460	1400-1420	+40	
Kota	Plant	1425-1475	1390-1400	+35	20,000-22,000 Rajasthan
Kota	Mandi	1350-1370	1340-1355	+70	

MUSTARD

SPOT MARKETS:

NAFED has improved mustard seeds prices on third consecutive day by NAFED uniformly in all the centres and the new rates stood at Rs 1760/qtl against previous at Rs. 1745/qtl for Jaipur region and for rest of the centres it remained at Rs 1710/qtl against yesterday's Rs. 1695/qtl [For seeds stocked during 2005-06 season]. Stockists fall short of expectation of bullish market ahead anticipating current weather condition in Kota and other major producing areas would support harvest on time (to be begin by 2nd week of February month) and were actively released mustard seeds along with Nafed in enough quantity. Arrivals improved in Rajasthan region.

FUTURES MARKET: -

The most active February contract of mustard seeds futures at NCDEX opened at Rs 374/20Kg as compared to previous closing of Rs 373.3/20Kg. Continuation of yesterday's rallies of mustard seeds February futures contract and spill over impact of soybeans firmed up and contract closed at Rs 374/20 Kg, Rs 0.7 high to previous closing price levels.

PRICE DRIVERS:

1. Nafed improved Rs. 15 for mustard seeds uniformly in all the centres
2. Millers/crushers maintained their regular offtake
3. Seasonal demand
4. Mainly good weather condition in Rajasthan

WEATHER:

The forecast of transient isolated rainfall in West Rajasthan would affect maturing process mustard crop.

TECHNICALS

Mustard charts are showing tentativeness at higher levels, however the prices managed to close above short term EMA, which shows firmness is intact. Stochastic is positive in neutral region. MACD is also rising in negative region, which suggests decrease in bearish momentum. The prices are likely to show volatile movements.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - Feb	371	368	374	377	378

Trade Recommendation:

Risk lovers can Sell NCDEX Mustard Feb contract below 376 with target of 372 and then 371. Put SL at 378.

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

Markets	03.02.07	02.02.07	Change	Arrivals (Bags)
Jaipur (C)	1870-1785	1860	+10	15,000
Alwar(C)	1770-1780	1750-1760	+30	500
Delhi(C)	1910-1915	1905	+5	500-700
Agra(C)/Katchi Ghani	2000/4500	1950/4500	+50	
Sri Ganganagar (NC)	1670	1640-1650	+30	250
Kota (NC)	1700	-	-	1000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Spot market sentiments followed other oilseed sentiments. Limited availability of nuts, steady arrivals, firmness in other oilseeds, firm oilmeal and edible oil sentiments supported the prices today. Arrivals were reported to be steady in a range of 20,000 to 25,000 bags. Rates for seeds were reported to be around Rs 425 to 475/20 Kg. Prices for groundnut oil was quoted at Rs 620 to 635 per 10 Kg

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