

OILSEED DAILY

SOYBEAN

10th February 2007

SPOT MARKETS:

Amidst sharp decline in arrivals of beans across spot markets, rates firmed up on account of regular offtake and restricted selling of beans from resellers. At the backdrop of ready availability of cheaper substitute oil in the market, stockists were reported to have sold off oil stocks in bulk. Good crushing reports of beans from solvent units have brought in ample stocks of soy oil to be disposed off, well before rates ease down further. As per traders, lack of buying support in Maharashtra brought down the rates considerably. Besides this steady port delivery rates for soymeal gave additional bearish tinge to routine trading.

FUTURES MARKET: -

The most active March contract of soybeans at NCDEX opened at Rs 1430/qtl against the previous closing at Rs 1430.15/qtl. Firm soy futures in overseas amidst firm spot market prevented contract to decline amidst weak soy oil in domestic market. The contract closed at Rs 1435.35/qtl well above 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. Steady 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 rest region. Rain/thundershowers are likely at many places over Rajasthan and isolated over Gujarat and Madhya Maharashtra. Mainly dry weather is likely over Marathwada.

TECHNICALS: -

Small-unfilled candlesticks indicate bullishness. The prices closed below both the EMAs. Stochastic is moving down steadily; 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	1418	1424	1430.15	1443	1448

Trade Recommendation:

Sell NCDEX March Soybean contract below 1437 with target T1 at 1428. Put SL at 1440.

SPOT MARKET PRICES: -

Markets	Market	09.02.07	08.02.07	Change	Arrivals (Bags)
Indore	Plant	1415-1435	1415-1435	0	60,000-70,000 M.P.
Indore	Mandi	1365-1380	1340-1370	+10	
Maharashtra	Plant	1410-1420	1450-1455	-35	30,000-35,000 Maharashtra
Maharashtra	Mandi	1360-1400	1400-1430	-30	
Kota	Plant	1405-1410	1390-1400	+10	10,000-12,000 Rajasthan
Kota	Mandi	1330-1350	1325-1330	+20	

MUSTARD

SPOT MARKETS:

Centres decision to allow NAFED to sell off surplus seed and oil stock till end of Feb brought down the rates for seeds today. Resellers sold seeds as per market trend. As per market observers, selling pressure for mustard expeller oil besides ready availability of substitute edible oil at competitive prices has casted off bearishness on routine trading of mustard seeds. NAFED is said to have retained meager seed stock of mustard in MP, whereas in Haryana and Rajasthan sufficient quantity is left to be disposed. Today NAFED didn't revised the prices for mustard seeds.

FUTURES MARKET: -

The NCDEX February contract of mustard seeds opened at Rs 361.50/20Kg against previous closing at Rs 362.25/20Kg. Good buying support from traders amidst softened open market prices for mustard allowed the contract trade firm. The contract closed at Rs 364.60/20 Kg, slightly above 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. Selling pressure for mustard expeller oil.

WEATHER:

Plains of northwest India are also likely to experience scattered to fairly widespread rain/thundershowers during next three days. Isolated hailstorm is likely over Punjab, Haryana, Rajasthan, Delhi, Chandigarh and West Uttar Pradesh.

TECHNICALS

Unfilled candlestick reflects buying support amidst downward rally. 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 increased and Open Interest declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - Feb	356	359	362.25	368	371

Trade Recommendation:

Risk lovers can Buy NCDEX Mustard Feb contract above 363 with target of 366. Put SL at 361.

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

Markets	09.02.07	08.02.07	Change	Arrivals (Bags)
Jalpur (C)	1830	1840	-10	10,000-12,000
Alwar(C)	1740	1750	-10	300-450
Delhi(C)	1915	1910-1920	-5	200-300
Agra(C)/Katchi Ghani	1925/4500	1925/4500	-	-
Sri Ganganagar (NC)	1640	1660	-20	200-300
Kota (NC)	1600-1620	1610-1620	0	4000-5000

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 seeds were reported to be around Rs 410 to 460/20 Kg. Prices for groundnut oil was quoted at Rs 610 to Rs 615 per 10 Kg.

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