

OILSEED DAILY

27th February 2007

SOYBEAN

SPOT MARKETS:

Steady soybean arrivals, good demand for soybean oil, better offtake from solvent units, firm port delivery rates for soymeal at Kandla and Jamnagar port were among the key factors to firm up soybean rates across spot markets. Good demand for soybean oil ahead of 'Holi' and declining stocks of beans with plants are likely to put pressure on prices of beans to firm up for the days to come. As per market observers, fresh buying of mustard seeds by NAFED and forthcoming budget is likely to provide for fresh sentiments.

FUTURES MARKET: -

The most active April contract of soybeans at NCDEX opened at Rs 1471.85/qrtl against previous closing levels of 1469.50/qrtl. Firm soymeal and soybean oil sentiments amidst buying support pushed the contract to close at Rs 1485.40/qrtl, Rs 16 above the previous closing levels.

PRICE DRIVERS:

1. Steady supply pressure of beans.
2. Firm port delivery rates for soymeal.
3. Steady to firm sentiments for soy oil in domestic market.
4. Gradual decline in inventories of soybeans at processors end

WEATHER:

Isolated rain/thundershowers are likely over north Madhya Pradesh during next 48 hours and mainly dry weather thereafter.

TECHNICALS: -

Prices managed to close above short-term EMA indicating considerable recovery in prices over previous settlement price. MACD is moving up in positive territory. Stochastic is heading down. Overbought levels warrant caution on the part of bulls. Both Volumes increased and Open Interest declined marginally.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - April	1468	1474	1485.40	1492	1497

Trade Recommendation:

Buy NCDEX April Soybean contract above 1481 with target T1 at 1487. Put SL at 1477.

SPOT MARKET PRICES: -

Markets	Market	26.02.07	24.02.07	Change	Arrivals (Bags)
Indore	Plant	1450-1475	1440-1460	+15	70,000 in MP
Indore	Mandi	1360-1400	1390-1410	-10	
Maharashtra	Plant	1480	1470	+10	20,000
Maharashtra	Mandi	1420-1460	1420-1430	+30	
Kota	Plant	1425-1435	1410-1415	+20	13,000 - 15,000 Rajasthan
Kota	Mandi	1380-1390	1370-1385	+5	

MUSTARD

SPOT MARKETS:

On account of adverse weather conditions over mustard growing regions of Rajasthan in past few days, daily arrivals registered a considerable decline amidst steady demand from expeller units. On the same lines, resellers quoted higher rates for mustard seeds and hence prices across spot markets firmed up. Firm edible oil sentiments gave additional support to offtake by expeller units and hence market sentiments ruled steady to firm.

FUTURES MARKET: -

The NCDEX May contract of mustard seeds opened at Rs 377.35/20 Kg against previous closing levels of Rs 376.9/20Kg. Good buying support at lower levels led the contract close at Rs 381/20 Kg, Rs 4 above the closing levels.

PRICE DRIVERS:

1. Resellers quoted higher rates for seeds.
2. Harvesting of mustard seeds in progress at MP and Rajasthan.
3. Adverse weather over Rajasthan hampered daily arrivals.
4. Improved demand for mustard oil.

WEATHER:

Scattered rain/thundershowers are likely over Punjab, Haryana, Chandigarh, Delhi and West Uttar Pradesh on 27th & 28th. Dry weather in Rajasthan during next 24 hrs. Rains conducive for standing crop of mustard.

TECHNICALS

Prices closed above the previous settlement price and managed to close near short term EMA. Stochastic is negative in oversold region but is on the verge of making bullish crossover. MACD has become steady in oversold region. Volumes decreased and Open Interest increased.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	375	379	381	390	394

Trade Recommendation:

Buy NCDEX Mustard May contract above 382 with target T1 at 387. Put SL at 378.

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

Markets	26.02.07	24.02.07	Change	Arrivals (Bags)
Jaipur (C)	1810-1815	1800-1805	+10	-
Alwar(C)	1710	1700	+10	300-400
Delhi(C)	1850-1860	1875-1880	-20	500-600
Agra(C)/Katchi Ghani	1975/4500	1900/4400	+75	-
Sri Ganganagar (NC)	1630	1635	-5	150-200
Kota (NC)	1650	1640	+10	20,000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Rates for groundnut oil and nuts firmed up marginally on account firm steady to firm sentiments for edible oil in general. 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 644 per 10 Kg.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.