

## OILSEED DAILY

26<sup>th</sup> February 2007

### SOYBEAN

#### SPOT MARKETS:

Steady demand for soybean from solvent units, steady port delivery rates for soymeal and marked increase in arrivals led soybean rates softened across spot markets. Resellers quoted lower rates for beans, as extraction units were reluctant to offtake beans at higher rates. Slight improvement in soybean oil sentiments in domestic market prevented rates for beans from softening further. No other significant change was reported today.

#### FUTURES MARKET: -

The March contract of soybeans at NCDEX opened at Rs 1442.22/qrtl against previous closing levels of 1448.25/qrtl. Steady soymeal and firm soybean oil sentiments amidst buying support led the contract close at Rs 1453/qrtl, Rs 4.75 above the previous closing levels.

#### PRICE DRIVERS:

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

#### WEATHER:

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

#### TECHNICALS: -

Prices managed to close above short-term EMA indicating slight recovery in prices. MACD has become steady in positive territory. Overbought levels some warrant was already indicated earlier as stochastic made a bearish cross over in positive region. Both Volumes and Open Interest declined.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - March	1443	1447	1453	1458	1462

#### Trade Recommendation:

**Sell** NCDEX March Soybean contract below 1453 with target T1 at 1450. Put SL at 1455.

#### SPOT MARKET PRICES: -

Markets	Market	24.02.07	23.02.07	Change	Arrivals (Bags)
Indore	Plant	1440-1460	1445-1465	-5	70,000 to 85,000 in MP
Indore	Mandi	1390-1410	1390-1410	0	
Maharashtra	Plant	1470	1460-1485	-15	20,000 -25,000
Maharashtra	Mandi	1420-1430	1440-1450	-20	
Kota	Plant	1410-1415	1420-1430	-15	15,000 Rajasthan
Kota	Mandi	1370-1385	1380	+5	

## MUSTARD

### SPOT MARKETS:

Isolated rainfall in Kota district disrupted daily arrivals, which declined to 10,000 bags from average daily arrivals of 25 to 30 thousand bags. Steady to weak demand for mustard expeller oil prevented plants to procure seeds in bulk. Good demand for mustard seeds [procured from NAFED] in Jaipur region has firmed up rates marginally. Overall sentiments reflected mixed trend.

### FUTURES MARKET: -

The NCDEX May contract of mustard seeds opened at Rs 374.40/20 Kg against previous closing levels of Rs 373.60/20Kg. Good buying support at lower levels led the contract close at Rs 376.90/20 Kg, Rs 3.3 above the closing levels.

### 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. Weak demand for mustard oil.

### WEATHER:

Precipitation over North-West India and Rajasthan from 24<sup>th</sup> to 25<sup>th</sup> of this month. Rains would prove productive for late sown and long duration varieties of mustard crop.

### TECHNICALS

Prices managed to recover over yesterday's bearishness. The prices closed below 9 day and 18 day EMAs, which supports the downward trend. 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	365	368	376.90	380	383

### Trade Recommendation:

**Sell** NCDEX Mustard May contract below 375 with target T1 at 373 and T2 at 370. Put SL at 378.

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

Markets	24.02.07	23.02.07	Change	Arrivals (Bags)
Jaipur (C)	1800-1805	1800	+5	-
Alwar(C)	1700	1710	-10	600-700
Delhi(C)	1875-1880	1880	0	500-600
Agra(C)/Katchi Ghani	1900/4400	1900/4400	0	-
Sri Ganganagar (NC)	1635	1640	-5	150-200
Kota (NC)	1640	-	-	8000-10,000

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET: -

Rates for groundnut oil and nuts softened on account of steady demand and higher selling interest for groundnut oil. In general edible oil sentiments in domestic market stood firm. 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 485/20 Kg. Prices for groundnut oil was quoted at Rs 640 per 10 Kg.

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