

OILSEED DAILY

SOYBEAN

06th February 2007

SPOT MARKETS:

Weak to steady demand for soy oil with steady soymeal demand domestically and at ports had same reflection on soybeans in the spot market. Arrivals significantly improved in Maharashtra by 20,000 bags to 60,000 bags but aggressive buying supported bullishness. In Rajasthan, soybeans prices dropped as stockists anticipated starts of mustard harvest in few parts in state. As per market observers, ample stock of available beans in world market and good crop in South America would keep oilseed prices under check in near-term.

FUTURES MARKET: -

The most active March contract of soybeans at NCDEX opened at Rs 1457.45/qrtl as compared to previous closing at Rs 1455/qrtl. Pressure from weakness in soy oil and reports of start of harvesting of mustard seeds pushed March contract down and contract closed at Rs 1450.25/qrtl, Rs 4.75 low to previous closing level.

PRICE DRIVERS:

1. Arrivals improved in Maharashtra
2. Bullish BMD
3. Steady offtake by crushers.
4. Steady soymeal sentiments at ports

WEATHER:

Mainly dry weather in major growing areas would facilitate beans arrivals.

TECHNICALS: -

Soybean charts are showing hesitation at higher levels; however, close above EMAs shows firmness is intact. Stochastic are positive in neutral region, MACD is showing some increase in bullish momentum. The prices are likely to recover further.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - March	1438	1443	1450.25	1460	1464

Trade Recommendation:

Buy NCDEX March Soybean contract above 1446 with target of 1456 and then 1460. Put SL at 1441.

SPOT MARKET PRICES: -

Markets	Market	05.02.07	03.02.07	Change	Arrivals (Bags)
Indore	Plant	1430-1460	1430-1450	0	70,000-75,000 M.P.
Indore	Mandi	1360-1400	1390-1410	-30	
Maharashtra	Plant	1480	1480	0	60,000-65,000 Maharashtra
Maharashtra	Mandi	1450-1460	1440-1460	+10	
Kota	Plant	1405-1425	1425-1475	-20	20,000-22,000 Rajasthan
Kota	Mandi	1350-1365	1350-1370	0	

MUSTARD

SPOT MARKETS:

Today, NAFED did not unchanged mustard seeds prices and it stayed yesterday price i.e. at Rs 1760/qtl for Jaipur region and for rest of the centres it remained at Rs 1710/qtl [For seeds stocked during 2005-06 season]. Reports of harvest start in few parts of Rajasthan had underlying bearish impact. Arrivals declined by approximately 5,000 bags in Jaipur region but low buying from millers/crushers kept prices range bound. Weather is supportive for harvesting to progress in full swing will keep bears up in coming day.

FUTURES MARKET: -

The most active February contract of mustard seeds futures at NCDEX opened at Rs 374.3/20Kg as compared to previous closing of Rs 374.15/20Kg. Mustard seeds futures February contract witnessed speculative selling on profit taking and reports of harvesting in parts of Rajasthan and contract closed at Rs 370.7/20 Kg, Rs 3.45 down to previous closing price levels.

PRICE DRIVERS:

1. Nafed kept unchanged mustard seeds
2. Millers/crushers maintained their regular offtake
3. Seasonal demand
4. Mainly good weather condition in Rajasthan
5. Harvest begin in part of Rajasthan

WEATHER:

The mainly dry weather likely over Rajasthan would be supportive for harvesting.

TECHNICALS

Mustard charts are showing some weakness as depicted by close below short term EMAs. Stochastic are positive and is about to enter overbought region. Whereas MACD is showing some increase in bullish momentum. The prices are likely to remain on the softer side.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - Feb	366	367	370.7	374	376

Trade Recommendation:

Risk lovers can Sell NCDEX Mustard Feb contract below 372 with target of 368. Put SL at 374.

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

Markets	03.02.07	03.02.07	Change	Arrivals (Bags)
Jaipur (C)	1870-1875	1870-1885	0	5,000-10,000
Alwar(C)	1770-1780	1770-1780	0	500-600
Delhi(C)	1930	1910-1915	+20	600-700
Agra(C)/Katchi Ghani	2025/4500	2000/4500	+25	
Sri Ganganagar (NC)	1680	1670	+10	350
Kota (NC)	1700	1700	0	1000-1500

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Spot market sentiments remained bullish on limited availability quality seeds and steady crushing, steady 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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