

OILSEED DAILY

SOYBEAN

09th February 2007

SPOT MARKETS:

Since the rates for soybean were ruling higher for past few days, crushing margins at processors end declined considerably. Decline in port delivery rates for soymeal besides weak sentiments for edible oil in domestic market helped eased down the rates across spot markets. Arrivals for beans remained steady except for marginal decline reported in Maharashtra. As per market observers, the widening gap in prices of beans at plants and mandis led solvent units keep off its hands from procuring beans in bulk.

FUTURES MARKET: -

The most active March contract of soybeans at NCDEX opened at Rs 1433.50/qrtl below the previous closing at Rs 1435.10/qrtl. Weak soy oil and soymeal sentiments amidst bearish cues from BMD drove the contract down. The contract closed at Rs 1429.05/qrtl well below the previous closing level.

PRICE DRIVERS:

1. Slight decline in bean arrivals.
2. Bearish soy oil & soybean in domestic market.
3. Weak palm oil at BMD.
4. Decline in crushing margins at processors end.

WEATHER:

Mainly dry weather is likely over the region outside north Madhya Pradesh where isolated rain/thundershower is likely from 10th onwards.

TECHNICALS: -

Soybean charts indicate bearish cues. The prices closed below EMAs shows weakness in the market. Stochastic has made a bearish cross over; MACD has entered into negative region indicating likely technical corrections ahead. The prices might see volatile movements with bearish bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - March	1406	1413	1435.10	1441	1446

Trade Recommendation:

Sell NCDEX March Soybean contract below 1434 with target T1 at 1424 and T2 at 1417. Put SL at 1438.

SPOT MARKET PRICES: -

Markets	Market	08.02.07	07.02.07	Change	Arrivals (Bags)
Indore	Plant	1415-1435	1425-1440	-5	75,000-80,000 M.P.
Indore	Mandi	1340-1370	1340-1380	-10	
Maharashtra	Plant	1450-1455	1450-1460	-5	40,000-45,000 Maharashtra
Maharashtra	Mandi	1400-1430	1420-1440	-10	
Kota	Plant	1390-1400	1390-1410	-10	18,000-20,000 Rajasthan
Kota	Mandi	1325-1330	1340-1360	-30	

MUSTARD

SPOT MARKETS:

NAFED was kept the rates for mustard seeds [stocked during 2005-06 season] unchanged. Resellers quoted relatively lesser rates for selling off mustard seeds procured from NAFED against the backdrop of fresh harvest of mustard seeds reported from various regions. Seeds were sold off as per market trend. Arrivals remained steady and demand was reported to have improved as prices softened. Cabinet Committee on Economic Affairs [CCEA] gave its approval for disposal of surplus mustard in seed form and through processing in mustard oil form in domestic market at prevailing market prices. The very news is likely to decide for spot market moves for the days to come.

FUTURES MARKET: -

The NCDEX February contract of mustard seeds opened at Rs 368.20/20Kg against previous closing at Rs 368.80/20Kg. Higher selling interest amidst weak spot market sentiments drove the market further down to weaker side. The contract closed at Rs 362.60/20 Kg, Rs 5.9 down to 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.

WEATHER:

Western India: - Mainly dry weather is likely over the region outside Rajasthan and Saurashtra & Kutch where isolated rain/thundershower is likely from 9th onwards.

Central India: - Dry weather except for rains after 10th of this month.

Northwest India: - Dry, except for isolated rains in some regions.

TECHNICALS

Long dark candlestick reflects bearish sentiments in the market. The prices closed below 9 day and 18 day EMAs, which is a negative sign. Stochastic has also made bearish crossover in neutral region and has scaled down. MACD too is surging down into negative territory indicating weak sentiments ahead.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - Feb	354	358	368.80	369	371

Trade Recommendation:

Risk lovers can Sell NCDEX Mustard Feb contract below 364 with target of 361. Put SL at 366.

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

Markets	08.02.07	07.02.07	Change	Arrivals (Bags)
Jaipur (C)	1840	1830-1840	0	15,000
Alwar(C)	1750	1750	0	500-600
Delhi(C)	1910-1920	1935	-15	200-300
Agra(C)/Katchi Ghani	1925/4500	1960/4500	-35	-
Sri Ganganagar (NC)	1660	1670	-10	200-300
Kota (NC)	1610-1620	1610-1630	-10	4000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

No significant change was reported except for slight ease down in rates for groundnut and groundnut oil. Spot market sentiments reflected weakness due to bearishness in edible oil sentiments in domestic market. Rates for both, groundnut and groundnut oil scaled down on account of it amidst steady arrival pressure. Arrivals were reported to be steady in a range of 20,000 bags. Rates for seeds were reported to be around Rs 410 to 420/20 Kg. Prices for groundnut oil was quoted at Rs 610 per 10 Kg.

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