

OILSEED DAILY

22nd February 2007

SOYBEAN

SPOT MARKETS:

Firm soymeal rates at Kandla port and weak soy oil in domestic market were major factors that kept the market sentiments under a steady tone. Solvent units continued their regular offtake at the back of steady decline in inventories. As per market observers, stockists are not willing to soften prices for soybean as they are expecting market direction after budget session. Marginal decline in arrivals was noticed in mandis across MP and Maharashtra. Overall sentiments were mixed and rates range bound.

FUTURES MARKET: -

The March contract of soybeans at NCDEX opened at Rs 1450/qrtl against previous closing levels of 1452/qrtl. Firm soymeal rates at ports amidst higher buying interest led the contract close at Rs 1454.65/qrtl, well above the previous closing levels.

PRICE DRIVERS:

1. Marginal decline in arrivals for soybeans in MP and Maharashtra.
2. Firm port delivery rates for soymeal.
3. Steady to weak sentiments for soy oil in domestic market.
4. Steady decline in inventories of soybeans at processors end

WEATHER:

Mainly dry weather is likely over the central and western India regions.

TECHNICALS: -

Candlestick with long upper shadow reflects tentativeness at higher levels. The prices managed to close above both the EMAs indicating positive sentiments. Stochastic is about to make bearish cross over in overbought region; MACD is moving up in positive region. Both Volume and Open Interest declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - March	1436	1441	1454.65	1460	1465

Trade Recommendation:

Sell NCDEX March Soybean contract below 1456 with target T1 at 1451 and T2 at 1445. Put SL at 1458.

SPOT MARKET PRICES: -

Markets	Market	21.02.07	20.02.07	Change	Arrivals (Bags)
Indore	Plant	1440-1465	1440-1465	0	70,000 in MP
Indore	Mandi	1390-1410	1370-1405	+5	
Maharashtra	Plant	1470	1440-1475	-5	40,000-45,000
Maharashtra	Mandi	1415-1430	1410-1445	-15	
Kota	Plant	1420-1430	1420-1435	-5	10,000-18,000 Rajasthan
Kota	Mandi	1365-1375	1350-1375	0	

MUSTARD

SPOT MARKETS:

Arrivals for mustard seeds [Rabi season] have begun in mandis across Kota districts, however in mandis across Jaipur and Ganganagar district, major arrivals are likely to start of by mid of next month. At the back of slight weakness noticed in edible oil sentiments, stockists have restricted selling seeds [Procured from NAFED] in bulk against steady demand from millers and extraction units and hence arrivals too maintained its steady pace. No other significant observation was noticed in today's routine trading.

FUTURES MARKET: -

The NCDEX May contract of mustard seeds opened at Rs 381.90/20 Kg against previous closing levels of Rs 383/20Kg. Lack of strong fundamentals amidst higher selling pressure led the contract to close at Rs 380.70/20 Kg slightly below 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. Steady demand for mustard oil.

WEATHER:

Isolated rain/thundershowers are likely over Punjab during next 24 hrs. Mainly dry weather is likely over Haryana, West Uttar Pradesh and Delhi. Precipitation over North-West India and Rajasthan from 24th to 25th of this month

TECHNICALS

Dark candlestick with prominent upper shadow indicates bearish trend. The prices closed below 9 day and 18 day EMAs, which is a negative sign. Stochastic has made a bearish crossover & has entered into oversold region and MACD has moved down further into negative territory. Volumes declined and Open Interest increased.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	373	376	380.70	386	389

Trade Recommendation:

Sell NCDEX Mustard May contract below 382 with target T1 at 379. Put SL at 384.

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

Markets	21.02.07	20.02.07	Change	Arrivals (Bags)
Jaipur (C)	1830-35	1840	-5	-
Alwar(C)	1725-1730	1725-1730	0	600-800
Delhi(C)	1900	1900	0	500-600
Agra(C)/Katchi Ghani	1950-1975	2000/4600	-25	-
Sri Ganganagar (NC)	1650	1645	+5	200
Kota (NC)	1600-1625	1625-1630	-5	25,000-50,000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Rates for groundnut oil firmed up on account of good demand from retail end amidst supply crunch for nuts. Weakness in substitute edible oil didn't have had any impact on groundnut oil sentiments. 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 490/20 Kg. Prices for groundnut oil was quoted at Rs 645 to Rs 650 per 10 Kg.

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