

OILSEED DAILY

16th March, 2007

SOYBEAN

SPOT MARKETS:

Rates for soybean in Maharashtra stood higher in comparison to rates across MP and Rajasthan. Limited availability of soybean on account of restricted selling by stockists amidst good demand from millers for crushing allowed resellers to quote higher rates. Demand for soymeal stood steady amidst weak soymeal sentiments at CBOT. Higher prices of soybean have eventually declined crushing margins at processors end, but this has not stopped regular offtake of beans by solvent units and millers. Sentiments for soybean oil in domestic market stood mixed. Stiff competition between palm oil and soybean oil to gain market share is likely to firm up prices of soybean in the lean season.

FUTURES MARKET: -

The most active April contract of soybeans at NCDEX opened at 1511.05/qrtl against previous closing levels of Rs 1509/qrtl. Aggressive buying by traders helped futures to mark fresh high of Rs 1534 per qrtl. Contract finally culminated at Rs 1528/qrtl, Rs 19 above the previous closing levels.

PRICE DRIVERS:

1. Restricted selling from stockists.
2. Firm port delivery rates for soymeal.
3. Steady to improved sentiments for soy oil in domestic market.
4. Gradual decline in inventories of soybeans at processors end
5. Stiff competition between soybean oil and palm oil to gain market share.

WEATHER:

Mainly dry weather is predicted across the country for coming day or two.

TECHNICALS: -

Candlestick pattern depicts bullishness. Prices closed over previous settlement prices and above 9 day and 18 day EMA. Both MACD and stochastic has headed up indicating sustained positive momentum, however stochastic hovering in overbought region warrant some caution on parts of bulls. Volumes increased and Open Interest has declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - April	1513	1520	1528	1540	1545

Trade Recommendation:

Buy NCDEX April Soybean contract above 1529 with target T1 at 1535. Put SL at 1526.

SPOT MARKET PRICES: -

Markets	Market	15.03.07	14.03.07	Change	Arrivals (Bags)
Indore	Plant	1490-1525	1490-1510	+15	40,000 in MP
Indore	Mandi	1450	1420-1450	0	
Maharashtra	Plant	1600-1625	1580	+45	15,000 - 20,000
Maharashtra	Mandi	1530-1550	1520-1540	+10	
Kota	Plant	1500-1525	1500-1510	+15	10,000 Rajasthan
Kota	Mandi	1440-1450	1440-1460	-10	

MUSTARD

SPOT MARKETS:

Total arrivals of mustard seeds on Thursday surpassed Wednesday's arrivals by 25,000 bags. Arrival pressure across spot markets is building up and would gradually pick up pace for days to come. On account of the very observation resellers quoted lower rates for mustard seeds across spot markets amidst steady demand from millers. Demand for mustard expeller oil reflected mixed trend, firming up at few places and softening at few. NAFED has started seed procurement drive in Kota and Newai regions of Rajasthan. Since open market prices are ruling over and above the slated MSP, farmers showed little interest in selling seeds to the farmers' cooperative. Traders opine that mustard seed production during Rabi season would eventually decline on account of adverse weather impact on standing crops.

FUTURES MARKET: -

The NCDEX May contract of mustard seeds opened at Rs 396.55/20 Kg against previous closing of Rs 396 per 20 Kg. The mustard futures traded sideways amidst slight buying support to close at a high of Rs 399.20/20 Kg, Rs 3.20 above the previous closing levels.

PRICE DRIVERS:

1. Resellers quoted lower rates for mustard seeds at few places.
2. Harvesting of mustard seeds in progress at MP Gujarat and Rajasthan.
3. Steady to improved demand for mustard oil.
4. NAFED has started seed procurement drive.
5. Projected crop loss on account of projected hailstorms.

WEATHER:

Dry weather predicted over mustard grown areas for 2 to 3 days.

TECHNICALS: -

Candlesticks pattern reflects firmness amidst slight tentativeness at higher levels. Prices managed to recover previous loss and closed above the previous settlement prices and short term EMA's. Stochastic has made a bearish cross over in overbought region and is moving down. MACD is heading up in positive territory. Volumes increased and Open Interest declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	390	394	399.20	406	410

Trade Recommendation:

Buy NCDEX Mustard May contract above 399 with target T1 at 402. Put SL at 397.

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

Markets	15.03.07	14.03.07	Change	Arrivals (Bags)
Jaipur (C)	1870	1890	-20	-
Alwar(C)	1815	1810	+5	8,000-10,000
Delhi(C)	1950-1955	1970-1975	-20	500-600
Agra(C)/Katchi Ghani	1950/4550	2000/4500	-50	-
Sri Ganganagar (NC)	1710-1720	1760	-40	150-200
Kota (NC)	1710-1720	1730	-10	25,000-35,000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Rates for groundnut oil stood steady in domestic market despite scarcity of groundnut for crushing by millers and solvent units. Rates for different qualities of nuts across different centres in the states were reported in a range of Rs 410 to 486/20 Kg. Prices for groundnut oil was quoted at Rs 630-632 per 10 Kg.

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