

OILSEED DAILY

6th March, 2007

SOYBEAN

SPOT MARKETS:

Little activity was noticed across spot markets as most of them were reported closed. Though arrivals of soybean continued, but this time it plunged from [Previous weeks daily average arrivals] 1.10 lakh bags to mere 60,000 bags. Marked decline in arrivals was noticed in MP; elsewhere it stood at previous levels. Subdued demand for soybean oil and soymeal in domestic market prevented stockists from disposing off beans in bulk and hence offtake from solvent units followed the suit.

FUTURES MARKET: -

The most active April contract of soybeans at NCDEX opened at Rs 1471/qtl against previous closing levels of 1472.50/qtl. Steady to weak soybean oil sentiments in domestic market led the futures close at Rs 1464/qtl, Rs 9.50 below the previous closing levels.

PRICE DRIVERS:

1. Marked decline in arrivals.
2. Festive mood persistent.
3. Steady to weak port delivery rates for soymeal.
4. Steady to weak sentiments for soy oil in domestic market.
5. Gradual decline in inventories of soybeans at processors end

WEATHER:

Mainly dry weather likely over the Central and West India.

TECHNICALS: -

The candlestick pattern reflects bearishness amidst slight tentativeness at higher levels. The gap between 9 day and 18 day EMA has narrowed down indicating decline in divergence. MACD has curved down towards neutral region. Stochastic has made a bearish crossover and moving down. Volumes declined and Open Interest increased.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - April	1455	1460	1464	1483	1488

Trade Recommendation:

Sell NCDEX April Soybean contract below 1475 with target T1 at 1470 and T2 at 1463. Put SL at 1478.

SPOT MARKET PRICES: -

Markets	Market	05.03.07	03.03.07	Change	Arrivals (Bags)
Indore	Plant	1455-1465	1440-1460	+5	15,000 - 20, 000 in MP
Indore	Mandi	1370-1410	1380-1410	0	
Maharashtra	Plant	1400-1450	1475-1480	-30	20,000-25,000
Maharashtra	Mandi	1350-1380	-	-	
Kota	Plant	1420-1430	1410-1425	+5	12,000 - 15,000 Rajasthan
Kota	Mandi	1370-1375	1350-1390	-15	

MUSTARD

SPOT MARKETS:

Resellers quoted higher rates for mustard seeds to take advantage of good demand for mustard oil in domestic market and relative decline in fresh arrivals of mustard seeds in Kota region. However, arrivals were reported to have improved in Alwar. Increase in supply of fresh mustard seeds during second fortnight of this month is likely to put pressure on seed prices. Traders expect market to get direction when NAFED starts up fresh procurement of mustard seeds from MP, Rajasthan and Gujarat.

FUTURES MARKET: -

The NCDEX May contract of mustard seeds opened at Rs 383.80/20 Kg against previous closing levels of Rs 384.65/20Kg. The mustard futures traded firm initially but with predominant selling interest the futures settled low at Rs 384.20/20 Kg, slightly below the previous closing levels.

PRICE DRIVERS:

1. Resellers quoted higher rates for mustard seeds.
2. Harvesting of mustard seeds in progress at MP Gujarat and Rajasthan.
3. Festive mood persistent.
4. Good demand for mustard oil.

WEATHER:

Dry weather forecasted across mustard growing regions in India.

TECHNICALS: -

Candlestick pattern indicate possible bearish reversal pattern or resistant levels. Prices have gapped higher on the open, advanced during the session and closed well off their highs. Stochastic has become steady. MACD is heading up in negative territory. Volumes increased and Open Interest stood almost steady.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	373	377	384.20	390	394

Trade Recommendation:

Sell NCDEX Mustard May contract below 385 with target T1 at 380. Put SL at 387.

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

Markets	05.03.07	03.03.07	Change	Arrivals (Bags)
Jaipur (C)	1840	1835-1840	0	-
Alwar(C)	1740-1745	1725	+20	1000-1100
Delhi(C)	1875-1880	1880	0	500-600
Agra(C)/Katchi Ghani	1875/4350	-	-	-
Sri Ganganagar (NC)	1645	1640	+5	150-200
Kota (NC)	1630-1640	1600-1610	+30	8,000-10,000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Rates for groundnut oil softened in domestic market due to weak edible oil sentiments and lack of active trading across spot markets, whereas the rates for nuts remained range bound. Rates for different qualities of nuts across different centres in the states were reported in a range of Rs 410 to 484/20 Kg. Prices for groundnut oil was quoted at Rs 640 per 10 Kg.

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