

## OILSEED DAILY

17<sup>th</sup> March, 2007

### SOYBEAN

#### SPOT MARKETS:

Arrivals of soybean on Friday improved in MP by 10,000 bags and elsewhere it remained steady. Rates for soybean across plants in all the three states softened marginally at the back of weak soymeal futures at CBOT, however, rates firmed up in Mandis at the back of aggressive buying from millers and solvent units. Since rates for soybeans are likely to firm up in lean season, stockists are taking advantage of the very situation and quoted higher rates for soybeans. Demand for soybean oil improved in Maharashtra elsewhere it remained steady to weak.

#### FUTURES MARKET: -

The most active April contract of soybeans at NCDEX opened at 1531/qtl against previous closing levels of Rs 1528/qtl. Futures traded firm initially but predominant selling interest made futures close at Rs 1531/qtl, Rs 3 above the previous closing levels.

#### PRICE DRIVERS:

1. Restricted selling from stockists.
2. Firm port delivery rates for soymeal.
3. Steady 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 has formed Gravestone Doji pattern reflecting indecisiveness. Prices closed over previous settlement prices and above 9 day and 18 day EMA. MACD has headed up and Stochastic has made bearish cross over in overbought region indicating possible technical corrections. Volumes increased and Open Interest has declined.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - April	1512	1520	1531	1536	1544

#### Trade Recommendation:

Sell NCDEX April Soybean contract below 1530 with target T1 at 1525. Put SL at 1532.

#### SPOT MARKET PRICES: -

Markets	Market	16.03.07	15.03.07	Change	Arrivals (Bags)
Indore	Plant	1520	1490-1525	-5	40,000-50,000 MP
Indore	Mandi	1430-1460	1450	+10	
Maharashtra	Plant	1600-1620	1600-1625	-5	15,000 - 20,000
Maharashtra	Mandi	1550-1560	1530-1550	+10	
Kota	Plant	1500-1520	1500-1525	-5	8000- 10,000 Rajasthan
Kota	Mandi	1460-1470	1440-1450	+20	

## MUSTARD

### SPOT MARKETS:

Arrivals on Friday stood steady at previous levels. Around 2.25 to 2.4 lakh bags were reported on Friday. Rates for mustard seeds stood firm, recovering previous days softness. Slightly improved demand for mustard expeller oil in Jaipur and Ganganagar helped resellers quote higher prices for seeds. Weather over North and North West India region is reported to be dry thus facilitating arrivals for the days to come. However, scattered rains are being predicted from 21<sup>st</sup> onwards over Punjab and regions of Haryana. Crop loss has been reported from regions of Rajasthan and Haryana due to hailstorms during initial part of the week. Though farmers are being compensated for the crop loss, overall loss in Rabi oilseed production [2007] can't be sufficed.

### FUTURES MARKET: -

The NCDEX May contract of mustard seeds opened at previous closing level of Rs 399.20/20 Kg. The mustard futures traded firm initially but couldn't sustain gain for long and closed at Rs 400/20 Kg, marginally above the previous closing levels.

### PRICE DRIVERS:

1. Resellers quoted higher 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 indecisiveness. 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. Both Volumes and Open Interest declined.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	392	397	400	406	410

### Trade Recommendation:

**Sell** NCDEX Mustard May contract below 402 with target T1 at 399. Put SL at 404.

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

Markets	16.03.07	15.03.07	Change	Arrivals (Bags)
Jaipur (C)	1890	1870	+20	-
Alwar(C)	1800-1810	1815	-5	5000-6000
Delhi(C)	1960-1970	1950-1955	+15	500-600
Agra(C)/Katchi Ghani	2025/4500	1950/4550	+75	-
Sri Ganganagar (NC)	1725	1710-1720	+5	150-200
Kota (NC)	1720	1710-1720	0	30,000

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET: -

Rates for groundnut oil and groundnut firmed up marginally amidst slight improvement noticed in demand for edible oils in general. Limited availability of butts for crushing at the back of handful of solvent units to handle crushing of nuts, prices are likely to rule steady to firm. Rates for different qualities of nuts across different centres in the states were reported in a range of Rs 410 to 488/20 Kg. Prices for groundnut oil was quoted at Rs 632-635 per 10 Kg.

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