

OILSEED DAILY

26th March, 2007

SOYBEAN

SPOT MARKETS:

Improved demand for soybean oil in domestic market at the back of firm soybean oil sentiments at CBOT and firm palm oil futures at BMD besides, consistent and firm demand for soymeal in domestic market allowed resellers to quote higher prices for soybeans. Total arrivals were steady at previous levels. Offtake from millers and solvent units has gained pace and are procuring beans despite higher soybean prices and decline in crushing margins at processors end. Lean period for soybeans would keep the prices of soybeans almost steady to firm. However, news of bird flu in Vietnam and Thailand is likely to curtail exports of soymeal thereby firming up domestic sentiments for the meal.

FUTURES MARKET: -

The April contract of soybeans at NCDEX opened up at 1585/qrtl against previous closing levels of Rs 1582.50/qrtl. Futures opened firm. Overseas weakness in soymeal futures at CBOT prevented prices to surge up. The futures closed at Rs 1585.40/qrtl, slightly above the previous closing levels.

PRICE DRIVERS:

1. Firm soymeal rates in domestic market.
2. Firm sentiments for soy oil in domestic and overseas market.
3. Gradual decline in inventories of soybeans at processors end
4. Stiff competition between soybean oil and palm oil to gain market share.

WEATHER:

Weather is of little concern during lean period. Dry weather reported over the country.

TECHNICALS: -

Candlestick pattern shows indecisiveness over market direction. Prices have touched a new high on Saturday. Prices closed above 9 day and 18 day EMA. MACD is heading up and Stochastic has become flat. Higher price levels warrant some caution on parts of bulls. Both Volumes increased and Open Interest declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - April	1572	1578	1585.40	1595	1605

Trade Recommendation:

Sell NCDEX April Soybean contract below 1588 with target T1 at 1586 and T2 at 1582. Put SL at 1590.

SPOT MARKET PRICES: -

Markets	Market	24.03.07	23.03.07	Change	Arrivals (Bags)
Indore	Plant	1580-1610	1550-1590	+20	35,000 to 40,000 MP
Indore	Mandi	1520-1550	1500-1540	+10	
Maharashtra	Plant	1660	1645	+15	10,000 -12,000
Maharashtra	Mandi	1580-1600	1560-1575	+25	
Kota	Plant	1540-1550	1515-1525	+25	8,000-10,000 Rajasthan
Kota	Mandi	1510-1520	1450-1470	+50	

MUSTARD

SPOT MARKETS:

Spot market sentiments remained steady to firm. Arrivals on Saturday stood steady around 3 lakh bags, a marginal decline by 20,000 bags over Friday's arrivals. Improved demand for mustard expeller oil was said to have supported prices at few places despite good arrivals across spot markets. As per official sources, NAFED had purchased around 12,000 MT of fresh seeds till Friday and would add up more seeds into their stocks. Farmers were reported to have brought in fresh seed stocks on account of active procurement by private traders and NAFED despite weekend trading. Arrivals are likely to catch up further pace from 1st week of April

FUTURES MARKET: -

The NCDEX May contract of mustard seeds opened at Rs 402/20 Kg against previous closing level of Rs 401.15/20 Kg. The mustard futures traded firm at the back of good buying support to close the contract at 403.9/20 Kg, marginally above the previous closing levels.

PRICE DRIVERS:

1. Resellers quoted higher rates for mustard seeds at few places.
2. Seeds with less moisture and good oil content are fetching better prices.
3. Arrivals have increased.
4. Steady to weak demand for mustard oil.
5. NAFED actively procuring fresh seeds.
6. Projected decline in oilseed production during Rabi 2006-07.

WEATHER:

Dry weather reported across the country.

TECHNICALS: -

Candlesticks pattern reflects firmness amidst slight tentativeness at higher levels. Prices managed to close above short term EMA's and touch the mark of 403 levels. A breach above this levels means firmness. MACD has become flat whereas Stochastic is likely to make bullish cross over if prices firm up further. Both Volumes and Open Interest declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	393	396	403.90	410	415

Trade Recommendation:

Sell NCDEX Mustard May contract below 405 with target T1 at 399. Put SL at 408.

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

Markets	24.03.07	23.03.07	Change	Arrivals (Bags)
Jaipur (C)	1860-1870	1885-1890	-20	-
Alwar(C)	1815-1820	1810-1820	0	10,000-15,000
Delhi(C)	1970-1980	1950	+30	2000-2500
Agra(C)/Katchi Ghani	2000/4500	1950/4450	+50	-
Sri Ganganagar (NC)	1650-1680	1650-1660	+20	2000-3000
Kota (NC)	1730-1740	1730-1740	0	40,000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

The estimates for summer grown output of groundnut is down by around 1 MMT over last year's production of 4.4 MT. The production estimate compiled by COOIT has revised down the production due to adverse weather over Gujarat during the month of August-September. On the same lines, groundnut acreage has given way to cotton as it was found to be more remunerative in terms of prices in open market. Rates for groundnut oil improved marginally on account of general firmness in edible oils whereas groundnut stood range bound at the back of steady daily arrivals standing between 8000 to 12,000 bags. Amidst 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 490/20 Kg. Prices for groundnut oil was quoted at Rs 636 per 10 Kg.

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