

OILSEED DAILY

13th March, 2007

SOYBEAN

SPOT MARKETS:

Steady soybean arrivals, improved demand for soybean oil and soymeal across spot markets featured Mondays spot market sentiments. Rates for soybean firmed up further as supply pressure fell short of demand from solvent units and millers. Firm port delivery rates for soymeal gave additional support to soybean prices. The crushing margins for soymeal at processors end are declining gradually with increase in prices of beans. Soybean prices in Maharashtra are ruling firm in relation to other states and is likely to climb up amidst restricted selling from stockists.

FUTURES MARKET: -

The most active April contract of soybeans at NCDEX opened at 1494.8/qtl against previous closing levels of Rs 1494/qtl. Improved soybean oil sentiments in domestic market amidst speculative buying aided futures to close at Rs 1499/qtl, Rs 5 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

WEATHER:

Isolated rains over South MP and Vidharba. Rains are of little concern as harvesting is completed.

TECHNICALS: -

Candlestick pattern depicts bullishness amidst tentativeness at higher levels. Prices continued its uptrend and managed to close over previous settlement prices and above 9 day and 18 day EMA. Both MACD and stochastic has headed up indicating gain in positive momentum. Volumes increased and Open Interest declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - April	1480	1485	1499	1506	1510

Trade Recommendation:

Buy NCDEX April Soybean contract above 1492 with target T1 at 1500. Put SL at 1488.

SPOT MARKET PRICES: -

Markets	Market	12.03.07	10.03.07	Change	Arrivals (Bags)
Indore	Plant	1490-1495	1460-1480	+15	40,000 in MP
Indore	Mandi	1400-1425	1370-1410	+15	
Maharashtra	Plant	1550	1520-1530	+20	18,000 - 20,000
Maharashtra	Mandi	1520-1525	1460-1490	+35	
Kota	Plant	1460-1480	1450-1465	+15	5000-8000 Rajasthan
Kota	Mandi	1430-1445	1410-1420	+25	

MUSTARD

SPOT MARKETS:

Adverse weather condition over Rajasthan, good demand for mustard expeller oil, steady arrival pressure for mustard seeds coupled with good demand from millers and solvent units allowed resellers to quote higher rates for mustard seeds. Rates for conditional and non-conditional mustard seeds on Monday surpassed prices quoted on Saturday and are likely to rule firm for the days to come amidst fear of anticipated crop loss on account of projected hailstorms likely over major crop growing regions of Rajasthan. Traders are looking for market direction once NAFED starts up seed procurement drive when weather improves after 14th of this month.

FUTURES MARKET: -

The NCDEX May contract of mustard seeds opened at Rs 397/20 Kg against previous closing of Rs 395.25 per 20 Kg. The mustard futures traded firm amidst little buying support to close at a high of Rs 397.25/20 Kg, Rs marginally above 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. Steady to improved demand for mustard oil.
4. NAFED to start seed procurement drive soon.
5. Projected crop loss on account of projected hailstorms.

WEATHER:

Scattered to isolated rainfalls over northwest Rajasthan within 24 hrs followed by hailstorms. Crop loss likely if rains persist for long.

TECHNICALS: -

Candlesticks have formed gravestone Doji pattern that depicts indecisiveness at higher levels. Prices closed above the previous settlement prices and short term EMA's. Stochastic is on the verge of entering overbought region. MACD has crossed the neutral region and is heading up in positive territory. Both Volumes and Open Interest increased considerably.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	386	389	397.25	401	405

Trade Recommendation:

Buy NCDEX Mustard May contract above 393 with target T1 at 398. Put SL at 390.

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

Markets	12.03.07	10.03.07	Change	Arrivals (Bags)
Jaipur (C)	1890	1850-1855	+35	-
Alwar(C)	1825	1750	+75	2000-3000
Delhi(C)	1950	1900	+50	400-500
Agra(C)/Katchi Ghani	1960-1965/4400	1925/4350	+40	-
Sri Ganganagar (NC)	1705	1680-1685	+20	150-200
Kota (NC)	1680-1710	1660-1680	+30	15,000- 20,000

GROUNDNUT

SPOT MARKET: -

Rates for groundnut oil softened in domestic market due to steady groundnut oil demand and bearish cues from other edible oils traded in domestic market. Rates for different qualities of nuts across different centres in the states were reported in a range of Rs 410 to 482/20 Kg. Prices for groundnut oil was quoted at Rs 625-630 per 10 Kg.

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