

OILSEED DAILY

09th March, 2007

SOYBEAN

SPOT MARKETS:

Improved demand for soybean oil at few places, firm port delivery rates for soybean amidst restricted selling from stockists provided room for rates to firm up. Millers are continuously procuring soybeans to meet their export obligation for soymeal. Hike in prices of soybean across spot markets are declining crushing margins for soymeal at processor end, but is unlikely to upset regular offtake from solvent units. Arrival pressure for mustard seeds in MP and Rajasthan is likely to mount pressure on soybean prices for the days to come.

FUTURES MARKET: -

The most active April contract of soybeans at NCDEX opened at 1472/ctl against previous closing levels of Rs 1469.50/ctl. Improved soybean oil sentiments in domestic market amidst good buying support led the futures close at Rs 1476.60/ctl, slightly 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. Prices managed to recover previous loss and closed above 9 day and 18 day EMA. MACD has become flat in positive region. Stochastic is about to make a bullish crossover. Volumes declined and Open Interest increased marginally.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - April	1468	1471	1476.6	1485	1489

Trade Recommendation:

Buy NCDEX April Soybean contract above 1476 with target T1 at 1481. Put SL at 1473.

SPOT MARKET PRICES: -

Markets	Market	08.03.07	07.03.07	Change	Arrivals (Bags)
Indore	Plant	1440-1460	1430-1460	0	30, 000 in MP
Indore	Mandi	1380-1410	1380-1410	0	
Maharashtra	Plant	1510	1490	+20	15,000-20,000
Maharashtra	Mandi	1450-1480	1420-1460	+20	
Kota	Plant	1435-1455	1420-1440	+15	8,000 - 10,000 Rajasthan
Kota	Mandi	1390-1415	1375-1390	+25	

MUSTARD

SPOT MARKETS:

Arrival pressure for fresh harvested mustard seeds is increasing gradually as farmers are bringing seeds in bulk. Steady demand for mustard expeller oil amidst hike in arrivals, softened the prices of seeds across spot market. Around 1.5 lakh bags arrived on Thursday, which surpassed Wednesday arrivals by 60,000 bags. Fear of hailstorm and crop loss over North West Rajasthan for the days to come is likely to have bullish affect on market sentiments.

FUTURES MARKET: -

The NCDEX May contract of mustard seeds opened at Rs 383.65/20 Kg against previous closing levels of Rs 382.80/20Kg. The mustard futures traded firm amidst good buying support to close at a high of Rs 388.10/20 Kg, Rs 5.3 above the previous closing levels.

PRICE DRIVERS:

1. Resellers quoted lower rates for mustard seeds.
2. Harvesting of mustard seeds in progress at MP Gujarat and Rajasthan.
3. Steady to improved demand for mustard oil.

WEATHER:

Scattered to isolated rainfalls over northwest Rajasthan on 9th and 10th of March followed by hail storms on 11th and 12th of March. Crop loss likely if rains persist for long.

TECHNICALS: -

Candlestick pattern reflects bullishness. Prices closed well over and above the previous settlement prices indicating positive sentiments. Stochastic had made a bearish crossover and has become flat. MACD is heading up in negative territory towards neutral region. Both Volumes and Open Interest increased.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	374	377	388	394	398

Trade Recommendation:

Buy NCDEX Mustard May contract above 382 with target T1 at 386 and T2 at 391. Put SL at 380.

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

Markets	08.03.07	07.03.07	Change	Arrivals (Bags)
Jaipur (C)	1810	1810-1815	-5	-
Alwar(C)	1710-1715	1725	-10	6000
Delhi(C)	1880-1885	1875	+10	400-500
Agra(C)/Katchi Ghani	1925/4250	1875/4350	+50	-
Sri Ganganagar (NC)	1650	1655	-5	150-200
Kota (NC)	1620	1640	-20	15,000-20,000

C: Conditioned

NC: Non-Conditioned

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 484/20 Kg. Prices for groundnut oil was quoted at Rs 632 per 10 Kg.

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