

OILSEED DAILY

2nd April 2007

SOYBEAN

SPOT MARKETS:

No arrivals were reported across spot markets on account of celebrations of "Mahavir Jayanti". Rates for beans firmed up in Maharashtra, elsewhere it stood steady to range bound. Plants continued their offtake. Domestically, soymeal sentiments tracked overseas weakness in soy complex at CBOT. Rates for meal softened on temporary basis amidst firm prices of poultry feeds in the market. However soybean oil managed to stay steady to firm tracking firm palm oil at BMD. No other significant change was reported on Saturday.

FUTURES MARKET: -

The most active May contract of soybeans at NCDEX opened at 1597/qrtl against previous closing levels of Rs 1599/qrtl. Futures tracked overseas weakness in soy futures at CBOT and closed low at Rs 1589.10/qrtl, well below the previous closing level.

PRICE DRIVERS:

1. Weak soymeal rates in domestic market.
2. Steady to 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.
5. Pressure from mustard seeds arrivals.
6. Firm palm oil at BMD.

WEATHER:

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

TECHNICALS: -

Candlestick pattern shows bearishness. The contract is facing some resistance at 1598-1602 levels. Prices managed to close above 9 day and 18 day EMA. MACD is heading up and Stochastic is moving down, indicating likely technical corrections. Higher levels warrant some caution on part of bulls. Both Volumes and Open Interest declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	1562	1570	1589.10	1600	1610

Trade Recommendation:

Sell NCDEX May Soybean contract below 1593 with target T1 at 1585 and T2 at 1576. Put SL at 1598.

SPOT MARKET PRICES: -

Markets	Market	31.03.07	30.03.07	Change	Arrivals (Bags)
Indore	Plant	1585-1600	1600-1610	-10	No arrivals reported
Indore	Mandi	-	1550-1570	-	
Maharashtra	Plant	1670	1645	+25	No arrivals reported
Maharashtra	Mandi	-	1610-1640	-	
Kota	Plant	1580-1600	1590-1600	0	No arrivals reported
Kota	Mandi	-	1550-1570	-	

MUSTARD

SPOT MARKETS:

Marginal arrivals were reported across spot market despite official holiday on account of Mahavir Jayanti. Mixed sentiments were reported across spot markets. Rates firmed up in Delhi elsewhere it softened on account of steady sentiments for mustard expeller oil. Traders are expecting good arrivals with start of next month as harvesting has picked up pace in Ganganagar and Kota regions. Farmers and stockists are hoarding seeds in anticipation of prices to firm up for the days to come.

FUTURES MARKET: -

The NCDEX May contract traded sideways with underlying bearish undertone. The futures opened at Rs 418.2/20 Kg against previous closing level of Rs 418.25/20 Kg. The mustard futures traded steady amidst choppy trading in domestic exchange at Hapur, Delhi and Sirsa, the spill over affect was evident on NCDEX exchange. The futures closed at 417.5/20 Kg, near the previous closing levels.

PRICE DRIVERS:

1. Resellers quoted lower rates for mustard seeds at few places.
2. Seeds with less moisture and good oil content are fetching better prices.
3. Arrivals have declined.
4. Mixed sentiments for mustard expeller oil.

WEATHER:

Dry weather reported across the country. However isolated rainfalls is predicted to hit across North Indian states from 31st March to 1st of April.

TECHNICALS: -

Candlesticks shows that prices are facing resistance at 418-420 levels. Prices managed to close above short term EMA's. MACD is moving up, whereas Stochastic has entered the overbought region and is on the verge of making a bearish cross over, indicating likely technical corrections. Both Volumes and Open Interest declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	405	410	417.50	425	430

Trade Recommendation:

Buy NCDEX Mustard May contract above 417 with target T1 at 422. Put SL at 413.

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

Markets	31.03.07	30.03.07	Change	Arrivals (Bags)
Jalpur (C)	2040	2000-2045	-5	-
Alwar(C)	1925	1950	-25	10,000
Delhi(C)	2085-2090	2080	+10	5000
Agra(C)/Katchi Ghani	2150/4800	2130/4800	+20	-
Sri Ganganagar (NC)	1775-1780	1830	-50	20,000
Kota (NC)	1750-1770	1760-1800	-30	30,000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Rates for groundnut oil firmed up amidst general firmness in edible oil in domestic market whereas rates for nuts remained steady at previous levels. Demand for oil is said to be improving at retail end. Arrivals were reported to be from 8000 to 10,000 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 503/20 Kg. Prices for groundnut oil was quoted at Rs 655-658 per 10 Kg. 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. As per market news, Russia may ban groundnut from India on account of banned pesticides found in the Indian consignment exported to Russia. If proper quarantine norms are not met groundnut exports may be restricted. Long-term implications can't be ruled out.

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