

OILSEED DAILY

15th March, 2007

SOYBEAN

SPOT MARKETS:

Arrivals on Wednesday declined by 15,000 bags over Tuesday's arrivals. Maharashtra and Rajasthan witnessed restricted selling from stockists and so were the arrivals thereof, but steady demand from solvent units and millers led rates to stay firm. Rates for soybean in MP stood range bound. Major sentiments that featured Wednesday's market sentiments were steady demand for soybean oil and subdued demand for soymeal. Weak soymeal sentiments at CBOT had casted off its bearishness on soymeal rates at ports, however soymeal rates in domestic market stood firm amidst good demand from livestock industry. Difference of opinion over soybean harvest progress in South America has led speculators and traders take advantage of current crop situations. Tug of war between bears and bulls is likely to portray fresh sentiments for the days to come especially when soymeal trade is under consideration.

FUTURES MARKET: -

The most active April contract of soybeans at NCDEX opened at 1519.2/qrtl against previous closing levels of Rs 1519.5/qrtl. Steady soymeal sentiments in domestic market amidst profit booking at higher levels to close low at Rs 1509/qrtl, Rs 10.50 below 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:

Mainly dry weather over MP and Maharashtra except for slight thunderstorms over North Eastern MP.

TECHNICALS: -

Candlestick pattern depicts bearishness. Prices closed over previous settlement prices and above 9 day and 18 day EMA. Both MACD and stochastic has headed up indicating sustained positive momentum, however stochastic hovering in overbought region warrant some caution on parts of bulls. Volumes and Open Interest has declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - April	1490	1495	1509	1515	1520

Trade Recommendation:

Buy NCDEX April Soybean contract above 1502 with target T1 at 1510. Put SL at 1499.

SPOT MARKET PRICES: -

Markets	Market	14.03.07	13.03.07	Change	Arrivals (Bags)
Indore	Plant	1490-1510	1480-1510	0	30,000-35,000 MP
Indore	Mandi	1420-1450	1420-1445	+5	
Maharashtra	Plant	1580	1510-1585	-5	15,000 - 20,000
Maharashtra	Mandi	1520-1540	1490-1530	+10	
Kota	Plant	1500-1510	1480-1500	+10	5,000 - 6,000 Rajasthan
Kota	Mandi	1440-1460	1430-1450	+10	

MUSTARD

SPOT MARKETS:

Western disturbances have moved eastwards, paving way for clear weather over mustard growing regions in North and North Western India that holds major share in overall mustard seed production in India. Farmers have brought in fresh seed lots in bulk; this in itself was evident when we look at arrivals across spot markets on Wednesday. Around 2 lakh bags arrived today putting pressure on prices of seeds to soften at few places at the back of steady demand from millers and solvent units. As a result rates for mustard expeller oil too traded with slight bearish undertone. However, traders are likely to encash 'possible crop loss' as a factor to induce bullishness for the days to come despite gradual increase in arrival pressure.

FUTURES MARKET: -

The NCDEX May contract of mustard seeds opened at Rs 401.20/20 Kg against previous closing of Rs 400.60 per 20 Kg. The mustard futures traded low amidst profit booking at higher levels to close at a low of Rs 396/20 Kg, Rs 5.20 below 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 to start seed procurement drive soon.
5. Projected crop loss on account of projected hailstorms.

WEATHER:

Isolated rain/thundershowers over Haryana, Chandigarh and West Uttar Pradesh during next 24 hours and mainly dry weather thereafter. Dry weather over North and North West India.

TECHNICALS: -

Candlesticks pattern reflects bearishness. Prices closed above the previous settlement prices and short term EMA's. Stochastic has made a bearish cross over in overbought region. MACD is heading up in positive territory. Volumes declined and Open Interest increased.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	388	392	396	402	405

Trade Recommendation:

Sell NCDEX Mustard May contract below 398 with target T1 at 395. Put SL at 400.

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

Markets	14.03.07	13.03.07	Change	Arrivals (Bags)
Jaipur (C)	1890	1900	-10	-
Alwar(C)	1810	1850	-40	8,000-10,000
Delhi(C)	1970-1975	1960	+15	200-300
Agra(C)/Katchi Ghani	2000/4500	1950/4500	+50	-
Sri Ganganagar (NC)	1760	1715	+45	150-200
Kota (NC)	1730	1710-1725	+5	25,000-30,000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Rates for groundnut oil stood steady in domestic market despite scarcity of groundnut for crushing by millers and solvent units. Rates for different qualities of nuts across different centres in the states were reported in a range of Rs 410 to 485/20 Kg. Prices for groundnut oil was quoted at Rs 630-631 per 10 Kg.

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