

OILSEED DAILY

20th March, 2007

SOYBEAN

SPOT MARKETS:

Arrivals across spot markets declined by 20,000 bags against previous week's average daily arrivals of 80,000 bags. Inactive trading marked routine trading on Monday. Major markets remained closed on account of Hindu New Year and Partial Solar Eclipse. Steady demand for soybean oil, slightly firm sentiments for soymeal in domestic market aided soybean rates at plants to stay firm. Port delivery rates for soymeal too stood steady amidst lack of market direction in overseas. Exports of soymeal is likely to taper March onwards on account of good demand in domestic market despite regular crushing of beans, which is likely to keep bean prices firm for the days to come.

FUTURES MARKET: -

The most active April contract of soybeans at NCDEX opened at 1537/ctl against previous closing levels of Rs 1533/ctl. Futures traded firm amidst improved demand for soymeal in domestic market, to close at Rs 1544.75/ctl, well above the previous closing levels.

PRICE DRIVERS:

1. Partial solar eclipse and Hindu New Year affected routine trading.
2. Firm soymeal rates in domestic market.
3. Steady sentiments for soy oil in domestic market.
4. Gradual decline in inventories of soybeans at processors end
5. Stiff competition between soybean oil and palm oil to gain market share.

WEATHER:

Dry weather over Central India. Daily arrivals unlikely to be affected.

TECHNICALS: -

Candlestick pattern reflects firmness. Prices closed over previous settlement prices and above 9 day and 18 day EMA. MACD has headed up and Stochastic has made bearish cross over in overbought region and is declining, indicating possible technical corrections. Both Volumes and Open Interest increased.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - April	1520	1527	1544.75	1555	1560

Trade Recommendation:

Buy NCDEX April Soybean contract above 1535 with target T1 at 1542 and T2 at 1552. Put SL at 1531.

SPOT MARKET PRICES: -

Markets	Market	19.03.07	17.03.07	Change	Arrivals (Bags)
Indore	Plant	1510-1535	1530	+5	30,000-35,000 MP
Indore	Mandi	-	1450-1495	-	
Maharashtra	Plant	1600-1620	1600-1620	0	15,000
Maharashtra	Mandi	-	1530-1560	-	
Kota	Plant	1530	1510-1530	0	6000 - 8000 Rajasthan
Kota	Mandi	-	1470-1490	-	

MUSTARD

SPOT MARKETS:

Around 1.5 lakh bags were reported on Monday, which declined by 75,000 bags in comparison to arrivals on Saturday. However, arrivals in Alwar improved by 3000 bags. Subdued demand for mustard expeller oil in Rajasthan amidst partial solar eclipse hindered routine trading to certain extent. Rates across spot market softened as resellers quoted lower rates at the back of steady demand from millers and solvent units. Adverse weather warning over North and North West India cautions possible crop loss and hence firm market sentiments ahead despite arrival pressure likely to increase gradually. Procurement drive by NAFED has not yet captured enough attention of farmers as market price of mustard is ruling over MSP slated by the Centre.

FUTURES MARKET: -

The NCDEX May contract of mustard seeds opened at Rs 398.95/20 Kg against previous closing level of Rs 398.50/20 Kg. The mustard futures traded weak amidst profit taking at higher price levels and closed near previous closing levels of 398.50/20 Kg.

PRICE DRIVERS:

1. Resellers quoted lower 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 has started seed procurement drive.
5. Projected crop loss on account of projected hailstorms and decline in acreage.

WEATHER:

Rain/thundershower is likely at a few places over West Rajasthan and isolated over East Rajasthan and Saurashtra & Kutch during next 48 hours and mainly dry weather thereafter. Isolated rain/thundershowers are likely over south Haryana and Delhi during next 24 hours and scattered thereafter. Crops are in maturity stage and hence more prone to crop loss.

TECHNICALS: -

Candlesticks pattern reflects bearishness. Prices couldn't sustain gain at higher levels and closed at previous settlement prices but managed to close above short term EMA's. MACD has become flat, Stochastic is moving down indicating some caution on part of bulls. Volumes declined and Open Interest increased.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	385	389	398.50	406	410

Trade Recommendation:

Buy NCDEX Mustard May contract above 396 with target T1 at 400 and T2 at 404. Put SL at 392.

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

Markets	19.03.07	17.03.07	Change	Arrivals (Bags)
Jaipur (C)	1860-1870	1900	-30	-
Alwar(C)	1710-1740	1775-1800	-60	11,000
Delhi(C)	1925-1930	1940-1950	-20	300-400
Agra(C)/Katchi Ghani	2000/4625	2000/4500	0	-
Sri Ganganagar (NC)	1710	1720	-10	500-600
Kota (NC)	1720	1730	-10	20,000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Rates for groundnut oil softened marginally on Monday, whereas rates for groundnut registered a marginal hike. 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 635-636 per 10 Kg.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.