

OILSEED DAILY

07th March, 2007

SOYBEAN

SPOT MARKETS:

Improved demand of soybean on short covering by millers for their soymeal export obligation underpinned the soybean prices on Tuesday. Meanwhile limited availability of soybean also supported the prices. Prices saw higher gains in Maharashtra as compared to MP on account of lower arrivals there.

FUTURES MARKET: -

The most active April contract of soybeans at NCDEX opened at previous closing levels of Rs 1464/ctl. Steady soybean oil sentiments in domestic market amidst slight buying support led the futures close at Rs 1468/ctl, Rs 4.00 above the previous closing levels.

PRICE DRIVERS:

1. Steady arrival pressure.
2. Steady to weak port delivery rates for soymeal.
3. Steady to weak sentiments for soy oil in domestic market.
4. Gradual decline in inventories of soybeans at processors end

WEATHER:

Mainly dry weather likely over the Central and West India.

TECHNICALS: -

Prices couldn't sustain initial gains and fell down amidst increase in selling interest at higher price levels and closed below 9 day and 18 day EMA. MACD is moving downwards in positive region, which shows decreasing bullish momentum. Stochastic has moved down sharply. Volumes and Open Interest increased marginally.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - April	1456	1460	1466.8	1476	1479

Trade Recommendation:

Sell NCDEX April Soybean contract below 1470 with target T1 at 1464. Put SL at 1474.

SPOT MARKET PRICES: -

Markets	Market	06.03.07	05.03.07	Change	Arrivals (Bags)
Indore	Plant	1450-1475	1455-1465	+10	25,000 - 30, 000 in MP
Indore	Mandi	1380-1410	1370-1410	0	
Maharashtra	Plant	1500	1400-1450	+50	15,000-20,000
Maharashtra	Mandi	1430-1440	1350-1380	+60	
Kota	Plant	1425-1440	1420-1430	+10	7,000 - 9,000 Rajasthan
Kota	Mandi	1390-1410	1370-1375	+35	

MUSTARD

SPOT MARKETS:

As per traders around 90,000 bags of mustard seeds were reported across mandis in Rajasthan. Clear weather had facilitated good arrivals in Alwar and Kota regions. Farmers are disposing off seeds in bulk as better rates are being offered from millers and solvent units in the market. On account of the very observation rates have firmed up. Traders and in "Wait and Watch" for NAFED to start seed procurement drive across the three states.

FUTURES MARKET: -

The NCDEX May contract of mustard seeds opened at Rs 384.50/20 Kg against previous closing levels of Rs 384.20/20Kg. The mustard futures traded firm initially but with predominant selling interest the futures settled low at Rs 382.70/20 Kg, slightly below 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. Festive mood persistent.
4. Steady demand for mustard oil.

WEATHER:

Dry weather forecasted across mustard growing regions in India, except for scattered rains from 9th onwards.

TECHNICALS: -

Candlestick chart indicates selling pressure. Prices closed slightly below previous settlement prices indicating short-term weakness. Stochastic has become steady. MACD is heading up in negative territory towards neutral region. Both Volumes and Open Interest stood almost steady.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	375	378	382.70	387	390

Trade Recommendation:

Sell NCDEX Mustard May contract below 383 with target T1 at 380. Put SL at 385.

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

Markets	06.03.07	05.03.07	Change	Arrivals (Bags)
Jaipur (C)	1825-1830	1840	-10	-
Alwar(C)	1750	1740-1745	+5	3000
Delhi(C)	1875-1880	1875-1880	0	600-800
Agra(C)/Katchi Ghani	1900/4500	1875/4350	+25	-
Sri Ganganagar (NC)	1650	1645	+5	150-200
Kota (NC)	1660	1630-1640	+20	15,000-22,000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Rates for groundnut oil remained steady in domestic market due to steady groundnut oil demand. 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 640 per 10 Kg.

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