

OILSEED DAILY

5th March, 2007

SOYBEAN

SPOT MARKETS:

Spot markets in Maharashtra were reportedly closed on account of 'Holi' & 'Poornima' and hence no arrivals were reported on Saturday. Amidst weekend trading and festive season, arrivals of soybean in MP declined to half of the quantity that arrived on Friday. However in Kota supply pressure was steady at previous levels. Rates for soybean across plants stood range bound at the back of steady demand. Weak port delivery rates for soymeal and normal demand for soybean oil kept the market sentiments almost steady.

FUTURES MARKET: -

The most active April contract of soybeans at NCDEX opened at Rs 1468.15/qrtl against previous closing levels of 1472.35/qrtl. Weak soybean and firm soybean oil futures at CBOT kept the domestic sentiments almost steady and led the futures close at Rs 1472.50/qrtl, just near the previous closing levels.

PRICE DRIVERS:

1. Marked decline in arrivals.
2. Festive mood and weekend trading.
3. Steady to weak port delivery rates for soymeal.
4. Steady sentiments for soy oil in domestic market.
5. Gradual decline in inventories of soybeans at processors end

WEATHER:

Mainly dry weather likely over the Central and West India during next 3 days. Since crop has been harvested completely there is little impact of weather.

TECHNICALS: -

The candlestick pattern indicates sideways trading with bearish tinge. Prices closed between 9 day and 18 day EMA, below previous settlement price. MACD has curved down towards neutral region. Stochastic has made a bearish crossover and moving down. Volumes declined and Open Interest increased.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - April	1463	1467	1472.05	1484	1488

Trade Recommendation:

Sell NCDEX April Soybean contract below 1477 with target T1 at 1470. Put SL at 1480.

SPOT MARKET PRICES: -

Markets	Market	03.03.07	02.03.07	Change	Arrivals (Bags)
Indore	Plant	1440-1460	1445-1460	0	30,000 in MP
Indore	Mandi	1380-1410	1380-1400	+10	
Maharashtra	Plant	1475-1480	1480	0	-
Maharashtra	Mandi	-	1400-1430	-	
Kota	Plant	1410-1425	1415-1425	0	9,000 - 10,000 Rajasthan
Kota	Mandi	1350-1390	1380-1395	-5	

MUSTARD

SPOT MARKETS:

Due to weekend trading and festive mood for Holi and steady demand for mustard seeds, resellers quoted lower rates for seeds. Arrivals of fresh harvested mustard seeds in Kota declined considerably, elsewhere arrivals remained steady. Good demand for mustard oil prevented seed rates from falling down abruptly. Traders expect market to gain momentum when NAFED starts fresh procurement of seeds in Rajasthan, MP and Gujarat states. However, farmers selling seed stocks to private traders can't be ruled out incase better rates are offered.

FUTURES MARKET: -

The NCDEX May contract of mustard seeds opened at Rs 379/20 Kg against previous closing levels of Rs 380.35/20Kg. The mustard seed contract reflected bullish tone. Good buying support for mustard oil helped the futures closed at Rs 384.65/20 Kg, well 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. Festive mood and weekend trading.
4. Good demand for mustard oil.

WEATHER:

Dry weather forecasted for coming 3 days, standing crop of mustard unlikely to be affected.

TECHNICALS: -

Prices managed to recover previous loss and surged up to close near 18 day EMA. An increase in Volumes and Open Interest supports the bullishness. Stochastic is moving northwards after crossing the mark for oversold region. MACD is heading up in negative territory thus indicating positive sentiments ahead.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	376	378	384.65	387	390

Trade Recommendation:

Buy NCDEX Mustard May contract above 382 with target T1 at 385. Put SL at 380.

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

Markets	03.03.07	02.03.07	Change	Arrivals (Bags)
Jaipur (C)	1835-1840	1840-1845	-5	-
Alwar(C)	1725	1740-1745	-20	200-300
Delhi(C)	1880	1880-1885	-5	300-400
Agra(C)/Katchi Ghani	-	-	-	-
Sri Ganganagar (NC)	1640	1635	+5	150-200
Kota (NC)	1600-1610	1620-1630	-20	4000-5000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Rates for groundnut oil firmed up marginally in domestic market whereas the rates for nuts remained range bound. Total daily arrivals for nuts dropped sown and stood in a range of 15,000 to 20,000 bags. Rates for different qualities of nuts across different centres in the states were reported in a range of Rs 410 to 486/20 Kg. Prices for groundnut oil was quoted at Rs 645 per 10 Kg.

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