

## OILSEED DAILY

27<sup>th</sup> March, 2007

### SOYBEAN

#### SPOT MARKETS:

Improved demand for soybean oil, good demand for soymeal kept soybean rates almost steady to firm across spot markets. Overseas firmness in palm oil futures imparted slight support to domestic soybean oil sentiments. Arrivals stood steady on Monday; offtake from plants was reported to be regular. Soaring prices of poultry feeds in domestic market have made prices of soymeal and maize dearer. With domestic consumption of soymeal projected to increase, the prices of soymeal are unlikely to settle low for the days ahead. Hence soybean is likely to rule firm.

#### FUTURES MARKET: -

The most active May contract of soybeans at NCDEX opened up at 1599/qtl against previous closing levels of Rs 1597.5/qtl. Futures traded steady amidst slight indecisiveness over market direction. The futures closed down at Rs 1593.6/qtl, slightly below the previous closing levels.

#### PRICE DRIVERS:

1. Firm soymeal rates in domestic market.
2. 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.

#### WEATHER:

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

#### TECHNICALS: -

Candlestick pattern shows steady market sentiments amidst bearish undertone. Prices closed above 9 day and 18 day EMA. MACD is heading up and Stochastic is hovering in overbought region. Higher price levels warrant some caution on parts of bulls. Both Volumes and Open Interest increased.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	1576	1581	1593.60	1610	1615

#### Trade Recommendation:

Buy NCDEX April Soybean contract above 1592 with target T1 at 1602 and T2 at 1606. Put SL at 1586.

#### SPOT MARKET PRICES: -

Markets	Market	26.03.07	24.03.07	Change	Arrivals (Bags)
Indore	Plant	1585-1610	1580-1610	0	35,000 to 40,000 MP
Indore	Mandi	1500-1560	1520-1550	+10	
Maharashtra	Plant	1660	1660	0	10,000 -12,000
Maharashtra	Mandi	1580-1610	1580-1600	+10	
Kota	Plant	1550-1560	1540-1550	+10	8,000-10,000 Rajasthan
Kota	Mandi	1510-1520	1510-1520	0	

## MUSTARD

### SPOT MARKETS:

Improved demand for mustard expeller oil in Rajasthan, continuous procurement of fresh seeds by NAFED, steady arrivals and slight improved demand for rapeseed meal in domestic market featured Monday's spot market sentiments. Owing to above observations, rates for mustard seeds firmed up across spot markets. As per official sources, NAFED has procured around 16,000 MT of mustard seeds till date, which is over and above previous weeks procurement of 12,000 bags. The stocks of mustard seeds with farmers cooperative are piling up gradually. Weather is clear to facilitate fresh arrivals. Fresh arrivals have been reported from Ganganagar regions.

### FUTURES MARKET: -

The NCDEX May contract of mustard seeds opened up at Rs 404.8/20 Kg against previous closing level of Rs 403.9/20 Kg. The mustard futures traded firm at the back of good buying support to close the contract at 407.25/20 Kg, marginally above the previous closing levels.

### PRICE DRIVERS:

1. Resellers quoted higher rates for mustard seeds at few places.
2. Seeds with less moisture and good oil content are fetching better prices.
3. Arrivals have increased.
4. Steady to improved demand for mustard oil.
5. NAFED actively procuring fresh seeds.
6. Projected decline in oilseed production during Rabi 2006-07.

### WEATHER:

Dry weather reported across the country.

### TECHNICALS: -

Candlesticks pattern shows firmness. Prices closed above short term EMA's and touched the mark of 406 levels depicting prices to stay firm at the back of increase in both Volumes and Open Interests. MACD is moving up whereas Stochastic has made a bullish cross over and is heading up, indicating positive momentum ahead.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	396	399	407.25	413	420

### Trade Recommendation:

**Buy** NCDEX Mustard May contract above 404 with target T1 at 409. Put SL at 401.

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

Markets	26.03.07	24.03.07	Change	Arrivals (Bags)
Jaipur (C)	1920-1930	1860-1870	+60	-
Alwar(C)	1850-1860	1815-1820	+40	15,000
Delhi(C)	1970	1970-1980	-10	1000
Agra(C)/Katchi Ghani	2050/4500	2000/4500	+50	-
Sri Ganganagar (NC)	1680-1710	1650-1680	+30	12,000-15,000
Kota (NC)	1760	1730-1740	+20	45,000-50,000

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET: -

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 cant be ruled out. 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. Rates for groundnut oil improved marginally on account of general firmness in edible oils whereas groundnut stood range bound at the back of steady daily arrivals standing between 10,000 to 12,000 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 492/20 Kg. Prices for groundnut oil was quoted at Rs 640 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.