

OILSEED DAILY

28th March, 2007

SOYBEAN

SPOT MARKETS:

No arrivals were reported in Maharashtra and Rajasthan spot markets on account of festive celebrations of Ram Navmi on Tuesday. However, marginal arrivals were reported in MP. Prices for beans softened marginally across plants amidst temporary weakness for soymeal in domestic market. The demand for soymeal in domestic market remained subdued on account of weak soymeal futures at CBOT at the back of fresh harvesting pressure of soybean in South America. The spill over affect was evident on port delivery rates for soymeal. However, prices are still ruling steady to firm amidst temporary weakness. Sentiments for soybean oil remained almost steady except for slight firmness in Maharashtra.

FUTURES MARKET: -

The most active May contract of soybeans at NCDEX opened low at 1589/qrtl against previous closing levels of Rs 1593.6/qrtl. Futures traded weak amidst weak soy futures at CBOT. The futures closed down at Rs 1581.5/qrtl, well below the previous closing levels.

PRICE DRIVERS:

1. Steady soymeal rates in domestic market.
2. Steady to weak 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 bearishness amidst slight recovery during later session. Prices closed above 9 day and 18 day EMA. MACD is heading up and Stochastic has made a bearish cross over in the overbought region. As indicated earlier 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	1572	1579	1581.50	1594	1596

Trade Recommendation:

Sell NCDEX May Soybean contract below 1587 with target T1 at 1582 and T2 at 1606. Put SL at 1590.

SPOT MARKET PRICES: -

Markets	Market	27.03.07	26.03.07	Change	Arrivals (Bags)
Indore	Plant	1580-1600	1585-1610	-10	15,000-20,000 MP
Indore	Mandi	-	1500-1560	-	
Maharashtra	Plant	1645	1660	-15	Not reported
Maharashtra	Mandi	-	1580-1610	-	
Kota	Plant	1575	1550-1560	+15	Not reported
Kota	Mandi	-	1510-1520	-	

MUSTARD

SPOT MARKETS:

Consistent demand for mustard seeds from millers in Rajasthan, improved demand for mustard expeller oil, steep decline in daily arrivals and good demand for edible oils in domestic market helped prices of mustard seeds surge up consecutively on Tuesday. Since most of the spot markets witnessed inactive trading on account of festive celebrations for 'Ram Navmi', arrivals declined today but demand from plants remained steady. Market observers are keeping a close watch on procurement drive of NAFED and private traders, so as to get an insight into fresh market sentiments. Fresh influx of seeds by first fortnight of April is the key factor that needs to be watched closely.

FUTURES MARKET: -

The NCDEX May contract reflected sideways with bearish undertone. The contract opened at Rs 407/20 Kg against previous closing level of Rs 407.25/20 Kg. The mustard futures traded firm initially but higher selling interest led the futures close low at 405.80/20 Kg, marginally below the previous closing levels.

PRICE DRIVERS:

1. Resellers quoted higher rates for mustard seeds
2. Seeds with less moisture and good oil content are fetching better prices.
3. Arrivals have declined on account of festive celebrations.
4. 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 reflects steady to weak market sentiments amidst slight tentativeness at higher levels. Prices managed to close above short term EMA's and seems to be facing stiff resistance at 406-408 levels. MACD is moving up whereas Stochastic has entered the overbought region and is heading up. Volumes increased and Open Interest declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	396	400	405.80	412	416

Trade Recommendation:

Sell NCDEX Mustard May contract below 407 with target T1 at 403. Put SL at 409.

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

Markets	27.03.07	26.03.07	Change	Arrivals (Bags)
Jaipur (C)	1955-1960	1920-1930	+30	-
Alwar(C)	1900	1850-1860	+40	10,000
Delhi(C)	1960-1980	1970	+10	2500-4000
Agra(C)/Katchi Ghani	2125/4700	2050/4500	+75	-
Sri Ganganagar (NC)	1735-1740	1680-1710	+30	10,000
Kota (NC)	1740-1780	1760	+20	15,000-25,000

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 and groundnut improved marginally on account of general firmness in edible oils at the back of steady arrivals of 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 495/20 Kg. Prices for groundnut oil was quoted at Rs 642 per 10 Kg.

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