

OILSEED DAILY

2nd March, 2007

SOYBEAN

SPOT MARKETS:

Rates for soybean has firmed up across all the spot markets. Hails storm and rains over Rajasthan disrupted soybean arrivals in Kota to greater extent. Arrivals in Maharashtra improved over Wednesday's arrivals by around 4,000 to 5,000 bags. Stockists in Maharashtra released good stocks of beans on account of good rates offered by plants at the back of rise in demand for soybean oil in domestic markets. Good demand for soymeal in domestic market and at ports has well supported the spot market moves on Thursday. As per market observers, around 85% of total soybean arrived in spot markets [From October-2006 to February 2007] has been crushed and thus assures for ready availability of soymeal and soybean oil to be disposed off as per demand in domestic and overseas.

FUTURES MARKET: -

The most active April contract of soybeans at NCDEX opened at Rs 1484/qrtl against previous closing levels of 1482/qrtl. Firm soy futures at CBOT prevented any abrupt fall in domestic soybean futures whereas firm spot market sentiments helped the contract to close at Rs 1483/qrtl, Rs 1.0 above the previous closing levels.

PRICE DRIVERS:

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

WEATHER:

Mainly dry weather is likely over central India except for isolated rains over North MP. Arrivals are likely to be smooth over rest of the region.

TECHNICALS: -

Prices managed to close above previous settlement prices well above the 9-day and 18 day EMA. But a Doji pattern formation indicates indecisiveness over price direction. MACD is moving up in positive territory. Stochastic has made a bullish crossover indicating positive sentiments ahead. Volumes and Open Interest declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - April	1475	1479	1483	1495	1500

Trade Recommendation:

Buy NCDEX April Soybean contract above 1485 with target T1 at 1491. Put SL at 1482.

SPOT MARKET PRICES: -

Markets	Market	01.03.07	28.02.07	Change	Arrivals (Bags)
Indore	Plant	1450-1475	1450-1470	+5	80,000 in MP
Indore	Mandi	1390-1410	1320-1390	+20	
Maharashtra	Plant	1490-1495	1480-1490	+5	20,000 - 23,000
Maharashtra	Mandi	1420-1440	1410-1425	+15	
Kota	Plant	1430-1450	1400-1430	+20	9,000 - 10,000 Rajasthan
Kota	Mandi	1390-1405	1360-1390	+15	

MUSTARD

SPOT MARKETS:

Hailstorm and rains over Rajasthan on Wednesday night had affected the arrivals and routine trading to major extent. The impact of the rains has not yet been quantified but has done considerable damage to standing crop of mustard, as stated by traders. Except for daily arrival pressure of 150 to 200 bags per day across spot markets, daily arrival pressure of fresh mustard seeds in Kota region declined to half of the quantity that arrived on Wednesday. On account of disrupted services and firm edible oil sentiments in domestic market, resellers quoted higher rates to take advantage of current situation.

FUTURES MARKET: -

The NCDEX May contract of mustard seeds opened at Rs 384.15/20 Kg against previous closing levels of Rs 383.75/20Kg. The mustard seed contract reflected bearish tone amidst higher selling interest and closed at Rs 382.70/20 Kg, slightly below the previous closing levels.

PRICE DRIVERS:

1. Resellers quoted higher rates at few places.
2. Harvesting of mustard seeds in progress at MP Gujarat and Rajasthan.
3. Total arrivals of mustard seeds declined on account of adverse weather.
4. Steady to firm demand for mustard oil.

WEATHER:

Isolated hail/squall is likely over the North West India and Rajasthan region within 24 hrs. Rains are productive for standing crop. Higher temperatures are detrimental for the mustard seed setting.

TECHNICALS

Prices couldn't sustain initial gains and closed between 9 day and 18 day EMA just near the previous settlement prices, indicating steady to indecisive market sentiments. Stochastic is moving northwards after crossing the mark for oversold region. MACD is heading up in negative territory thus indicating positive sentiments ahead. Volumes and Open Interest declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	375	378	382.7	390	393

Trade Recommendation:

Sell NCDEX Mustard May contract below 386 with target T1 at 383 and T2 at 380. Put SL at 388.

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

Markets	01.03.07	28.02.07	Change	Arrivals (Bags)
Jaipur (C)	1835	1820	+15	-
Alwar(C)	1740-1760	1700-1720	+40	500-600
Delhi(C)	1900	1880	+20	300-400
Agra(C)/Katchi Ghani	1975/4600	1975/4600	0	-
Sri Ganganagar (NC)	1650	1640	+10	150-200
Kota (NC)	1660	-	-	10,000-15,000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Rates for groundnut oil firmed up at the back of good edible oil sentiments 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 488/20 Kg. Prices for groundnut oil was quoted at Rs 645 per 10 Kg.

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