

OILSEED DAILY

08th March, 2007

SOYBEAN

SPOT MARKETS:

The markets didn't witness active trading on Wednesday. Steady port delivery rates for soymeal, poor demand for soybean oil in domestic market and restricted selling from stockists kept the soybean sentiments almost steady. Solvent units declined its regular offtake of soybeans as crushing margins for soymeal have declined owing to increase in cost of soybeans. However crushing of beans was reported to be continuous across plants in MP, Maharashtra and Rajasthan.

FUTURES MARKET: -

The most active April contract of soybeans at NCDEX opened at 1470.9/qrtl against previous closing levels of Rs 1467.5/qrtl. Weak soybean oil sentiments in domestic market amidst higher selling interest led the futures close at Rs 1469.50/qrtl, slightly below the previous closing levels.

PRICE DRIVERS:

1. Steady arrival pressure.
2. Steady to weak 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 likely over the Central and West India.

TECHNICALS: -

Candlestick pattern depicts higher selling interest. Prices plunged initially but managed to recover later and closed between 9 day and 18 day EMA. MACD is moving downwards in positive region, which shows decreasing bullish momentum. Stochastic has moved down sharply. Volumes increased and Open Interest declined marginally.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - April	1456	1460	1469.5	1478	1481

Trade Recommendation:

Sell NCDEX April Soybean contract below 1472 with target T1 at 1463. Put SL at 1475.

SPOT MARKET PRICES: -

Markets	Market	07.03.07	06.03.07	Change	Arrivals (Bags)
Indore	Plant	1430-1460	1450-1475	-15	30, 000 in MP
Indore	Mandi	1380-1410	1380-1410	0	
Maharashtra	Plant	1490	1500	-10	15,000-20,000
Maharashtra	Mandi	1420-1460	1430-1440	+20	
Kota	Plant	1420-1440	1425-1440	0	15,000 - 20,000 Rajasthan
Kota	Mandi	1375-1390	1390-1410	-20	

MUSTARD

SPOT MARKETS:

Resellers quoted lower rates for mustard seeds on account of gradual increase in arrival pressure for fresh harvested mustard crops. Weak demand for mustard oil in domestic market softened seed prices across spot markets. Good arrivals of seeds have been reported from MP, Rajasthan and Gujarat. Farmers are bringing seeds in bulk well before advent of hailstorms predicted from 9th of this month.

FUTURES MARKET: -

The NCDEX May contract of mustard seeds opened at Rs 382.70/20 Kg against previous closing levels of Rs 382.60/20Kg. The mustard futures traded steady amidst lack of strong fundamentals and tested a low at Rs 382.80/20 Kg, marginally 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. Steady demand for mustard oil.

WEATHER:

Dry weather forecasted across mustard growing regions in India, except for scattered rains from 9th onwards. As per market observers, hailstorms could shatter ripe pods in standing crops if accompanied by wind.

TECHNICALS: -

Candlestick pattern reflects indecisiveness. Prices closed near previous settlement prices indicating steady sentiments. Stochastic has made a bearish crossover indicating slight decline in positive momentum. MACD is heading up in negative territory towards neutral region. Both Volumes and Open Interest declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	372	375	382.80	385	389

Trade Recommendation:

Sell NCDEX Mustard May contract below 383 with target T1 at 378.
Put SL at 385.

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

Markets	07.03.07	06.03.07	Change	Arrivals (Bags)
Jaipur (C)	1810-1815	1825-1830	-15	-
Alwar(C)	1725	1750	-25	5000
Delhi(C)	1875	1875-1880	-5	500
Agra(C)/Katchi Ghani	1875/4350	1900/4500	-25	-
Sri Ganganagar (NC)	1655	1650	+5	150-200
Kota (NC)	1640	1660	-20	15,000-20,000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Rates for groundnut oil remained steady in domestic market due to steady groundnut oil demand and bearish cues from other edible oils traded in domestic market. 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 638-639 per 10 Kg.

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