

## OILSEED DAILY

### SOYBEAN

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

#### SPOT MARKETS:

Arrivals of soybeans kept a steady tone, however arrivals in Maharashtra improved by 10,000 bags over Monday's arrivals and at the same time it declined by 10,000 bags in MP. The factors that gave support to Tuesday's market sentiments were namely **a)** Strength in soybean oil sentiments **b)** Firm port delivery rates for soymeal coupled with good demand from poultry sector **c)** stockists disposing beans in limited quantity under assumption that prices of soybeans would firm up further in lean period. Delay in harvest of soybean in South America on account of moist conditions coupled with chances of fungal infections likely, would limit soybean trade across borders in near term.

#### FUTURES MARKET: -

The most active April contract of soybeans at NCDEX opened at 1497/ctl against previous closing levels of Rs 1499/ctl. Firm soymeal sentiments in domestic market amidst speculative buying aided futures to close at Rs 1519.50/ctl, Rs 20.50 above the previous closing levels.

#### PRICE DRIVERS:

1. Restricted selling from stockists.
2. Firm port delivery rates for soymeal.
3. Steady to improved sentiments for soy oil in domestic market.
4. Gradual decline in inventories of soybeans at processors end

#### WEATHER:

Mainly dry weather over MP and Maharashtra except for slight thunderstorms over Eastern MP.

#### TECHNICALS: -

Candlestick pattern depicts firmness. Prices continued its uptrend and closed over previous settlement prices and above 9 day and 18 day EMA. Both MACD and stochastic has headed up indicating gain in positive momentum, however stochastic hovering in overbought region warrant some caution on parts of bulls. Volumes and Open Interest increased considerably.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - April	1488	1495	1519.50	1523	1530

#### Trade Recommendation:

**Buy** NCDEX April Soybean contract above 1503 with target T1 at 1517. Put SL at 1499.

#### SPOT MARKET PRICES: -

Markets	Market	13.03.07	12.03.07	Change	Arrivals (Bags)
Indore	Plant	1480-1510	1490-1495	+15	30,000 in MP
Indore	Mandi	1420-1445	1400-1425	+20	
Maharashtra	Plant	1510-1585	1550	+35	35,000 - 40,000
Maharashtra	Mandi	1490-1530	1520-1525	+5	
Kota	Plant	1480-1500	1460-1480	+20	10,000 Rajasthan
Kota	Mandi	1430-1450	1430-1445	+5	

## MUSTARD

### SPOT MARKETS:

With western disturbances shifting towards Eastern regions, farmers in MP and Rajasthan have breathed in a sigh of relief. Some damage has been caused to the standing crop of mustard in these regions but it has not yet being quantified. With fresh influx of mustard seeds across spot markets, total arrivals on Tuesday improved over yesterday's arrivals by 20,000 bags. Firmness in edible oils has strengthened sentiments for mustard expeller oil thereby allowing resellers to quote higher rates for seeds. As per market observers, traders are said to have taken advantage of prevailing weather conditions well before NAFED commences procurement of mustard seeds in MP, Rajasthan and Haryana.

### FUTURES MARKET: -

The NCDEX May contract of mustard seeds opened at Rs 399.20/20 Kg against previous closing of Rs 397.25 per 20 Kg. The mustard futures traded firm amidst good buying support to close at a high of Rs 400.60/20 Kg, Rs marginally above the previous closing levels.

### PRICE DRIVERS:

1. Resellers quoted higher rates for mustard seeds.
2. Harvesting of mustard seeds in progress at MP Gujarat and Rajasthan.
3. Steady to improved demand for mustard oil.
4. NAFED to start seed procurement drive soon.
5. Projected crop loss on account of projected hailstorms.

### WEATHER:

Isolated rain/thundershowers over Punjab, Haryana, Chandigarh, Delhi, Rajasthan and West Uttar Pradesh during next 24 hours and mainly dry weather thereafter.

### TECHNICALS: -

Candlesticks pattern reflects bullishness. Prices closed above the previous settlement prices and short term EMA's. Stochastic is hovering in overbought region. MACD is heading up in positive territory. Volumes declined and Open Interest increased.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	390	394	400.60	408	412

### Trade Recommendation:

**Buy** NCDEX Mustard May contract above 398 with target T1 at 405. Put SL at 396.

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

Markets	13.03.07	12.03.07	Change	Arrivals (Bags)
Jaipur (C)	1900	1890	+10	-
Alwar(C)	1850	1825	+25	2000
Delhi(C)	1960	1950	+10	400-500
Agra(C)/Katchi Ghani	1950/4500	1960-1965/4400	-15	-
Sri Ganganagar (NC)	1715	1705	+10	150-200
Kota (NC)	1710-1725	1680-1710	+15	25,000-30,000

## GROUNDNUT

### SPOT MARKET: -

Rates for groundnut oil firmed up marginally in domestic market amidst slight improvement in demand for the groundnut oil in Gujarat. Rates for different qualities of nuts across different centres in the states were reported in a range of Rs 410 to 485/20 Kg. Prices for groundnut oil was quoted at Rs 630-632 per 10 Kg.

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