

## OILSEED DAILY

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

### SOYBEAN

#### SPOT MARKETS:

As per traders, there exists dearth of good quality seeds in market across the states. Private traders are disposing off beans in limited quantity, to cash on projected firmness in prices of soymeal and soybean oil in domestic market. Soymeal demand has gained firmness on account of good buying support from feed industry. Overseas firmness in soymeal futures at CBOT is imparting additional support to port delivery rates for soymeal. The demand from feed industry generally starts off by end of calendar year and gradually picks up pace during first quarter of every year. Private inventories of soybeans are declining gradually as stated by market observers. However, arrival pressure of mustard seeds and its implication on soybean prices can't be ruled out.

#### FUTURES MARKET: -

The April contract of soybeans at NCDEX opened up at 1565.15/qrtl against previous closing levels of Rs 1562.80/qrtl. Futures traded firm amidst improved demand for soymeal in domestic market and firm soymeal futures at CBOT to close at Rs 1582.50/qrtl, Rs 19.70 above the previous closing levels.

#### PRICE DRIVERS:

1. Firm soymeal rates in domestic market.
2. Steady to weak sentiments for soy oil in domestic 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 firmness. Prices have touched a new high on Friday. Prices closed above 9 day and 18 day EMA. MACD is heading up and Stochastic has made bullish cross over in overbought region, indicating positive momentum ahead. Higher price levels warrant some caution on parts of bulls. Both Volumes increased and Open Interest declined.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - April	1560	1564	1582.50	1590	1600

#### Trade Recommendation:

Risk lovers can Buy NCDEX April Soybean contract above 1570 with target T1 at 1576 and T2 at 1585. Put SL at 1568.

#### SPOT MARKET PRICES: -

Markets	Market	23.03.07	22.03.07	Change	Arrivals (Bags)
Indore	Plant	1550-1590	1550-1570	+20	40,000 MP
Indore	Mandi	1500-1540	1470-1515	+25	
Maharashtra	Plant	1645	1630	+15	15,000 -18,000
Maharashtra	Mandi	1560-1575	1550	+25	
Kota	Plant	1515-1525	1510-1530	-5	8,000-10,000 Rajasthan
Kota	Mandi	1450-1470	1450-1470	0	

## MUSTARD

### SPOT MARKETS:

Spot market sentiments firmed up in Jaipur and Alwar, elsewhere it stood weak as resellers quoted lower prices for mustard seeds. Arrivals on Friday stood steady around 3 to 3.2 lakh bags. Demand for mustard expeller oil stood steady, following the very observation demand for rapeseed oil cake was subdued. Despite arrival pressure, and other bearish factors, rates of mustard seeds stood firm at few places on account of active procurement of seeds by NAFED. As per official sources, NAFED had purchased around 12,000 MT of fresh seeds till date and would gradually increase its stocks as arrivals pick up during first week of April. As pointed earlier, seeds with low moisture content [8 to 10%] and good oil content are fetching better prices in open market.

### FUTURES MARKET: -

The NCDEX May contract of mustard seeds opened at Rs 397.05/20 Kg against previous closing level of Rs 397.1/20 Kg. The mustard futures traded firm at the back of good buying support to close the contract at 401.15/20 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 weak 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 firmness. Prices managed to close above short term EMA's amidst predominant buying interest. MACD has become steady and Stochastic is moving down indicating likely decline in positive momentum. A break above 403 levels would mean decline in selling pressure. Both Volumes and Open Interest increased.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	391	396	401.15	415	422

### Trade Recommendation:

**Sell** NCDEX Mustard May contract below 407 with target T1 at 400. Put SL at 411.

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

Markets	23.03.07	22.03.07	Change	Arrivals (Bags)
Jaipur (C)	1885-1890	1860-1870	+20	-
Alwar(C)	1810-1820	1790-1800	+20	10,000-15,000
Delhi(C)	1950	1960	-10	700-800
Agra(C)/Katchi Ghani	1950/4450	1975/4450	-25	-
Sri Ganganagar (NC)	1650-1660	1710	-50	2000-4000
Kota (NC)	1730-1740	1750	-10	40,000 -45,000

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET: -

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 stood range bound at the back of steady daily arrivals standing between 8000 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 490/20 Kg. Prices for groundnut oil was quoted at Rs 633 per 10 Kg.

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