

## OILSEED DAILY

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

### SOYBEAN

#### SPOT MARKETS:

Spot market sentiments firmed up in MP and Maharashtra when mandis reopened after 'Rang Panchami' celebrations. Arrivals across spot markets improved at the back of improved demand for soymeal at ports and in domestic markets. Steady sentiments for soybean oil couldn't provide for additional firmness amidst limited arrivals of beans. Good soybean crop prospects in South America is likely to keep prices of soybean in domestic market under check. Crushing margins for soymeal at processors end has declined amidst hike in prices of soybean.

#### FUTURES MARKET: -

The most active April contract of soybeans at NCDEX opened at 1482/ctl against previous closing levels of Rs 1483/ctl. Improved soybean oil sentiments in domestic market amidst speculative buying aided futures to close at Rs 1494/ctl, Rs 11 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:

Isolated rains over South MP and Vidharba. Rains are of little concern as harvesting is completed.

#### TECHNICALS: -

Candlestick pattern depicts bullishness. Prices continued its uptrend and managed to close over previous settlement prices and above 9 day and 18 day EMA. Both MACD and stochastic has headed up indicating gain in positive momentum. Volumes and Open Interest increased.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - April	1480	1484	1494	1499	1503

#### Trade Recommendation:

Buy NCDEX April Soybean contract above 1490 with target T1 at 1496. Put SL at 1487.

#### SPOT MARKET PRICES: -

Markets	Market	10.03.07	09.03.07	Change	Arrivals (Bags)
Indore	Plant	1460-1480	1460-1485	-5	35,000 to 40,000 in MP
Indore	Mandi	1370-1410		-	
Maharashtra	Plant	1520-1530	1470-1520	+10	15,000 - 20,000
Maharashtra	Mandi	1460-1490	-	-	
Kota	Plant	1450-1465	1440-1450	+15	5000-8000 Rajasthan
Kota	Mandi	1410-1420	1380-1400	+20	

## MUSTARD

### SPOT MARKETS:

Market sentiments firmed up on the back of adverse weather conditions prevailing over mustard growing regions of Rajasthan and news of NAFED to start procurement drive for mustard seeds soon. Traders took advantage of the condition and quoted higher rates for seeds. Good buying support for mustard expeller oil gave additional support to market sentiments. Arrivals stood at previous days level and are likely to pick up additional pace by end of this month.

### FUTURES MARKET: -

The NCDEX May contract of mustard seeds opened at Rs 391.75/20 Kg near previous closing levels. The mustard futures traded firm amidst good buying support to close at a high of Rs 395.25/20 Kg, Rs 3.5 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.

### WEATHER:

Scattered to isolated rainfalls over northwest Rajasthan on 9<sup>th</sup> and 10<sup>th</sup> of March followed by hail storms on 11<sup>th</sup> and 12<sup>th</sup> of March. Crop loss likely if rains persist for long.

### TECHNICALS: -

Candlestick pattern reflects bullishness. Prices closed well above the previous settlement prices and short term EMA's indicating positive sentiments. Stochastic is positive. MACD has crossed the neutral region and is heading up in positive territory. Volumes declined and Open Interest increased marginally.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	386	390	395.25	399	401

### Trade Recommendation:

**Buy** NCDEX Mustard May contract above 394 with target T1 at 397. Put SL at 391.

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

Markets	10.03.07	09.03.07	Change	Arrivals (Bags)
Jaipur (C)	1850-1855	1835	+20	-
Alwar(C)	1750	1725	+25	6000-8000
Delhi(C)	1900	1895	+15	600-800
Agra(C)/Katchi Ghani	1925/4350	1950/4500	-25	-
Sri Ganganagar (NC)	1680-1685	1665	+20	150-200
Kota (NC)	1660-1680	1640	+40	20,000-25,000

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET: -

Rates for groundnut oil softened 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 482/20 Kg. Prices for groundnut oil was quoted at Rs 625-630 per 10 Kg.

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