

OILSEED DAILY

SOYBEAN

7th April 2007

SPOT MARKETS:

Though the rates for beans softened across spot markets but prices of beans in Maharashtra still rule higher in comparison to bean prices in MP and Rajasthan. Dearth of availability of quality seeds amidst dwindling stocks with stockists has led supply to get thin. The arrivals of soybean in MP declined further by 10,000 bags to mere 20,000 bags, elsewhere it stood steady at previous levels. Bearish cues from soy complex in overseas, also led rates of beans to soften marginally. Rates for soymeal in domestic market softened at the back of weak soymeal futures at CBOT. The news of soybean acreage to gain firm grounds at the cost of corn [poor weather for corn] helped soybean futures lose its initial firmness that was earlier supported by strength in grain markets in overseas.

FUTURES MARKET: -

The most active May contract of soybeans at NCDEX opened at 1583/qrtl against previous closing levels of Rs 1583.3/qrtl. The futures closed down at Rs 1578.5/qrtl. Weak soy futures at CBOT had a spill over affect on domestic soy complex, aiding predominant selling interest and profit booking.

PRICE DRIVERS:

1. Steady to weak soymeal rates in domestic market.
2. Steady sentiments for soy oil in domestic and overseas market.
3. Gradual decline in inventories of soybeans at processors end
4. Weak soy futures at CBOT.

WEATHER:

Weather is of little concern during lean period. Dry weather reported over the country.

TECHNICALS: -

Candlestick shows predominant selling interest. Prices couldn't manage to recover previous loss and closed below the 9 day EMA. MACD and Stochastic have moved down, indicating likely technical corrections and decline in positive sentiments. Volumes and Open Interest increased.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	1570	1576	1578.50	1593	1598

Trade Recommendation:

Sell NCDEX May Soybean contract below 1586 with target T1 at 1580. Put SL at 1588.

SPOT MARKET PRICES: -

Markets	Market	06.04.07	05.04.07	Change	Arrivals (Bags)
Indore	Plant	1570-1590	1580-1590	0	20,000 in MP
Indore	Mandi	1530-1540	1530-1550	-10	
Maharashtra	Plant	1680	1680	0	10,000
Maharashtra	Mandi	1640	1610-1650	-10	
Kota	Plant	1570-1580	1580-1590	-10	5000 in Rajasthan
Kota	Mandi	1550	1560	-10	

MUSTARD

SPOT MARKETS:

Daily arrivals of mustard seeds have picked up a significant pace. Around 4 lakh bags arrived on Friday surpassing previous days arrival by 50,000 bags. Amidst steady demand from stockists, millers and expeller plants and good arrival pressure, rates for seeds have softened across spot markets. The demand for expeller oil reflected mixed sentiments. As per official sources, procurement drive for mustard seeds still holds dull. However, regular stocking of seeds with private traders would eventually underpin expeller oil demand to stay firm. With dry weather prospects across mustard growing regions, facilitating fresh arrivals, supply pressure on prices of mustard seeds can't be ruled out.

FUTURES MARKET: -

The NCDEX May contract traded weak amidst bearish cues from domestic exchange at Hapur and Sirsa exchange. The futures opened low at Rs 418.2/20 Kg against previous closing level of Rs 418.75/20 Kg. The mustard futures closed at 417.6/20 Kg, marginally below the previous closing levels.

PRICE DRIVERS:

1. Resellers quoted lower rates for mustard seeds
2. Arrivals have improved.
3. Steady to weak sentiments for mustard expeller oil.
4. Dull procurement drive of NAFED.

WEATHER:

Dry weather reported across the country.

TECHNICALS: -

Candlesticks show prices facing resistance at 418-420 levels. Prices couldn't manage to recoup previous losses but still closed above short term EMA's. MACD and Stochastic are moving down indicating decline in positive momentum. Both the Volumes and Open Interest increased.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	409	413	417.60	423	426

Trade Recommendation:

Sell NCDEX Mustard May contract below 419 with target T1 at 416. Put SL at 421.

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

Markets	06.04.07	05.04.07	Change	Arrivals (Bags)
Jaipur (C)	2000	2040	-40	-
Alwar(C)	1915-1920	1950-1960	-40	10,000
Delhi(C)	2040	2065-2070	-30	8000-10,000
Agra(C)/Katchi Ghani	2125/4900	2175/4900	-50	-
Sri Ganganagar (NC)	1760-1765	1760-1765	0	20,000
Kota (NC)	1800-1830	1820	+10	50,000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

As per agriculture department of state government of Gujarat, oilseed production during 2006-07 has been estimated to decline to around 28.5 lakh MT, a steep decline against previous years production of 46.66 lakh MT. State government has taken initiatives to explore strategies to improve current years acreage and production of oilseeds. Improved demand for groundnut oil at retail end has supported prices of nuts across spot markets to stay firm; prices of both oil and nuts are heading up. Demand for oil is said to be improving at retail end. Arrivals were reported to be around 5000 to 6000 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 515/20 Kg. Rates for groundnut oil varied from Rs 665 to 668 per 10 Kg.

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