

OILSEED DAILY

9th April 2007

SOYBEAN

SPOT MARKETS:

Arrival stood steady at previous levels despite weekend trading. Slight weak sentiments for soymeal and soybean oil in domestic market aided prices of beans to soften marginally. Lack of overseas market direction [CBOT remained closed] supported spot market sentiments. As per market observers, good arrival pressure of mustard seeds from next week is likely to put pressure on prices of beans until prices of meal or oil picks up. As per official release of oilmeal export data from Solvent Extraction Association of India; exports of soymeal during March 2007 stood at 5.46 lakh MT surpassing February's exports by around 21.5%. During March South Korea imported a maximum of 1.65 lakh MT, followed by Vietnam and Japan importing 1.56 lakh MT and 74,750 MT respectively.

FUTURES MARKET: -

The most active May contract of soybeans at NCDEX settled low at Rs 1570.75. The futures touched a high of Rs 1577/qrtl and a low of Rs 1570.5 during trading hours. Yesterday the prices closed at Rs 1578.25/qrtl. Lack of overseas market direction amidst sluggish spot trading led futures close low on Saturday.

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. CBOT remained closed on account of Good Friday.

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. Prices are likely to find some support at 1550 levels. MACD and Stochastic have moved down, indicating likely technical corrections and decline in positive sentiments. Open Interest declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	1550	1558	1570.75	1583	1588

Trade Recommendation:

Sell NCDEX May Soybean contract below 1575 with target T1 at 1565. Put SL at 1578.

SPOT MARKET PRICES: -

Markets	Market	07.04.07	06.04.07	Change	Arrivals (Bags)
Indore	Plant	1570-1580	1570-1590	-10	20,000 -25,000 in MP
Indore	Mandi	1520-1540	1530-1540	0	
Maharashtra	Plant	1675	1680	-5	10,000
Maharashtra	Mandi	1610-1640	1640	0	
Kota	Plant	1570-1580	1570-1580	0	4000- 5000 in Rajasthan
Kota	Mandi	1520-1550	1550	0	

MUSTARD

SPOT MARKETS:

The weekend trading witnessed further softening of prices of seeds at the back of mixed sentiments for expeller oil. Around 3 lakh bags were reported on Saturday, a decline of 1 lakh bags as compared to arrivals on Friday. Crushing of seeds was reported to be continuous and hence the offtake from millers, besides improved demand for expeller oil at consumers end. The very fact is reasserted when we look at the export figures for rapeseed meal during March 2007. As per official release of oilmeal export data from Solvent Extraction Association of India; exports of rapeseed meal during March 2007 stood at 1.24 lakh MT surpassing previous months exports by 27.6%. During March, South Korea imported a maximum of 50,125 MT, China and Taiwan imported 41,200 MT and 7,975 MT respectively

FUTURES MARKET: -

The NCDEX May contract settled low at Rs 413.80/20 Kg. The futures touched a high of Rs 418.65/20 Kg and a low of Rs 413.55/20 Kg. Yesterday the prices closed at Rs 417.20/20 Kg. Higher selling interest amidst weak spot market sentiments led futures close low.

PRICE DRIVERS:

1. Resellers quoted lower rates for mustard seeds
2. Arrivals have declined on weekend.
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 bearishness. Prices couldn't manage to recoup previous losses and closed below short term EMA's. Chart pattern indicate that prices will find a good support at 405 levels. If this level is breached prices will take a downtrend. MACD and Stochastic are moving down indicating decline in positive momentum. Open Interest declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	403	405	413.80	423	426

Trade Recommendation:

Sell NCDEX Mustard May contract below 417 with target T1 at 410. Put SL at 420.

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

Markets	07.04.07	06.04.07	Change	Arrivals (Bags)
Jaipur (C)	1990	2000	-10	-
Alwar(C)	1925-1930	1915-1920	+10	10,000-12,000
Delhi(C)	2020	2040	-20	8000
Agra(C)/Katchi Ghani	2050/4850	2125/4900	-100	-
Sri Ganganagar (NC)	1745-1750	1760-1765	-15	20,000
Kota (NC)	1800-1810	1800-1830	-20	30,000 -35,000

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 steady to 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 4000 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. Rates stood at previous levels.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.