

## OILSEED DAILY

### SOYBEAN

30<sup>th</sup> April 2007

#### SPOT MARKETS:

Daily arrivals stood at previous day's levels with slight decline noticed in Maharashtra on account of dull trading during weekend. Drawing strength from firm soybean oil sentiments at CBOT, domestic soy oil traded firm. Rates for beans recovered yesterday's weakness and firmed up marginally in Maharashtra, stood range bound in MP and softened slightly in Kota markets respectively. Soymeal continued to trade bearish amidst weak soybean sentiments in domestic and overseas market amidst appreciating value of rupees. Overnight strength in palm oils amidst view of corn not eating into soybean acreage supported soy oil and beans at CBOT. However, decline in export of soybean from US at the back of good soybean harvest from South America cautions underlying bearishness in near to medium term. Traders are awaiting outcome from forthcoming conference on edible oils to be held in Indonesia from May 1 to 3.

#### FUTURES MARKET: -

The most active May contract of soybeans at NCDEX traded steady thereafter amidst firm soybean and soy oil at CBOT. The futures opened up at Rs 1519.1/qrtl against previous close of Rs 1517.2/qrtl. Futures closed up at Rs 1520.5/qrtl, marginally above the previous closing levels.

#### PRICE DRIVERS:

1. Weak sentiments for soybean in domestic and overseas markets.
2. Appreciating Rupee allowing more imports of oils
3. Good corn planting progress in US and China
4. Soy oil competitively advantageous over palm oil
5. Arrivals were negligible in domestic market.

#### WEATHER:

Weather is of little concern during lean period.

#### TECHNICALS: -

Prices showed little price movement and consolidation at slightly higher levels. Slight indecisiveness is reflected at current price levels. Prices closed below both EMA's. MACD has entered into negative territory and stochastic is heading up from oversold regions. RSI are showing recovery at lower levels and moving up from oversold region. Volumes declined considerably in comparison to Open Interest.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	1502	1510	1520.50	1540	1552

#### Trade Recommendation:

**Buy** NCDEX May Soybean contract above 1516 with target T1 at 1524 and T2 at 1535. Put SL at 1510.

#### SPOT MARKET PRICES: -

Markets	Market	28.04.07	27.04.07	Change	Arrivals (Bags)
Indore	Plant	1530-1550	1530-1550	0	15,000-20,000
Indore	Mandi	1470-1500	1480-1500	0	
Maharashtra	Plant	1610	1590	+20	8000
Maharashtra	Mandi	1530-1540	1520	+20	
Kota	Plant	1510-1515	1510-1520	-5	2,000
Kota	Mandi	1450-1475	1480-1500	-25	

## MUSTARD

### SPOT MARKETS:

Arrivals on Saturday declined to around 1.7 lakh bags from previous day's arrivals of 2 lakh bags on account of weekend trading. Average arrivals during first fortnight of April stood around 3 lakh bags, which declined to 1.8 to 2 lakh bags during second half of this month. Looking at the downtrend it is evident that arrivals would taper further from next week onwards if expeller oil sentiments holds firm. Prices of seeds continue to hold firm from midweek till date on account of improved sentiments for edible oils in domestic and overseas. Rates for Non-conditional seeds recouped yesterday's weakness and stood firm. The fate of availability of substitute edible oils in domestic market and its price trend would decide for market sentiments in mustard complex. Offtake by farmers cooperative still continues to be dull.

### FUTURES MARKET: -

The NCDEX May contract traded firm amidst good buying support and bullish cues from domestic exchanges for mustard. It opened at Rs 404/20 Kg against previous closing of Rs 402.55/20 Kg. Futures closed low at Rs 405.7/20 Kg, marginally above the previous closing levels.

### PRICE DRIVERS:

1. Resellers quoted higher rates for seeds.
2. Arrivals declined on Saturday.
3. Improved sentiments for mustard expeller oil.
4. Slow procurement drive of NAFED.
5. Tight stock position.

### WEATHER:

Dry weather over mustard growing regions.

### TECHNICALS: -

Candlestick depicts signs of bullish reversal. Prices recouped previous losses but however closed below both EMA's. MACD is hovering in negative territory whereas stochastic and RSI are moving up from oversold regions indicating recovery at lower levels. Volumes declined considerably in comparison to Open Interest declined. Prices are likely to trade steady.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	399	402	405.70	412	415

### Trade Recommendation:

**Buy** NCDEX Mustard May contract above 406 with target T1 at 409. Put SL at 403.

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

Markets	28.04.07	27.04.07	Change	Arrivals (Bags)
Jaipur (C)	2005	2000	+5	-
Alwar(C)	1925	1925-1930	-5	10,000
Delhi(C)	1980-1985	1980-1985	0	4000
Agra(C)/Katchi Ghani	2175/4925	2150/4900	+25	-
Sri Ganganagar (NC)	1780-1785	1755-1760	+25	6000
Kota (NC)	1880	1800-1840	+40	30,000

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET: -

Rates for nuts and oil softened on 6<sup>th</sup> consecutive day [Saturday]. Rates for different qualities of nuts across different centres in the states were reported in a range of Rs 410 to 512/20 Kg for different qualities of nuts. Rates for groundnut oil was quoted at Rs 668 per 10 Kg. **Prices of nuts and groundnut oil softened on account of regular selling pressure for groundnut oil by stockists in wholesale markets and limited offtake by millers amidst appreciating Rupees in domestic markets.** 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

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