

## OILSEED DAILY

### SOYBEAN

28<sup>th</sup> April 2007

#### SPOT MARKETS:

Daily arrivals declined further on Friday to 25,000 to 28,000 bags from previous day's arrivals of 35,000 to 40,000 bags. Soymeal traded with weak bias. Rates for soymeal dipped further in domestic and at ports on account of decrease in competitiveness of exports amidst appreciating Rupees despite improvement in crushing margins of soymeal at processors end. Reduced offtake of beans by millers and temporary firmness in soy oil kept the rates of beans almost mixed across spot markets and plants. As per reports of International Grain Council [IGC], an increase in prices of corn in global market would reduce its use as feed by livestock industry amidst greater availability of alternative feeds. Soymeal can gain on corn not only as feed but also on account of increase in acreage of corn in US and China. Export premiums are on the rise after hanging out below CBOT future prices for several weeks. Premiums are rising again to compensate for both a weak dollar and volatile CBOT.

#### FUTURES MARKET: -

The most active May contract of soybeans at NCDEX traded steady amidst predominant buying interest and slight support from firm palm oil at BMD. The futures opened up at Rs 1510.95/qttl against previous close of Rs 1512.3/qttl. Futures closed up at Rs 1517.5/qttl, well above the previous closing levels.

#### PRICE DRIVERS:

1. Weak sentiments for soymeal 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: -

Candlestick has formed hammer like pattern signifying bullish reversal at lower levels. Prices closed well below both EMA's. MACD has entered into negative territory and stochastic has fallen into oversold regions, both indicate decline in positive momentum. However, both stochastic and RSI are showing recovery at lower levels. Volumes increased and Open Interest declined marginally.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	1500	1505	1515.50	1530	1540

#### Trade Recommendation:

Buy NCDEX May Soybean contract above 1512 with target T1 at 1525. Put SL at 1508.

#### SPOT MARKET PRICES: -

Markets	Market	27.04.07	26.04.07	Change	Arrivals (Bags)
Indore	Plant	1530-1550	1530-1560	-10	15,000
Indore	Mandi	1480-1500	1480-1500	0	
Maharashtra	Plant	1590	1580	+10	10,000
Maharashtra	Mandi	1520	1520-1550	-30	
Kota	Plant	1510-1520	1510-1520	0	2,000
Kota	Mandi	1480-1500	1470-1480	+20	

## MUSTARD

### SPOT MARKETS:

Arrivals on Friday stood at previous levels of around 2 lakh bags. Demand and arrivals stood steady at previous levels. Mixed sentiments for mustard seeds in domestic exchange kept the rates almost mixed across spot markets. Specifically, rates for Non- conditional seeds dropped lower in comparison to rates for conditional seeds. Demand for expeller oil firmed up on temporary basis tracking soy oil to greater extent. Export sentiments for rapeseed DOC are likely to be subdued on account of decrease in competitiveness of exports amidst appreciating value of Rupees. The very view can undermine exporters interest and profit margins. However, virtual supply crunch of edible oils during first week of May might support prices of seeds or oil in near term.

### FUTURES MARKET: -

The NCDEX May contract traded sideways but with bearish bias. It opened at Rs 403.3/20 Kg against previous closing of Rs 403.25/20 Kg. Futures closed low at Rs 402.55/20 Kg, marginally below the previous closing levels.

### PRICE DRIVERS:

1. Resellers quoted lower rates for seeds.
2. Arrivals steady at previous levels.
3. Steady sentiments for mustard expeller oil
4. Slow procurement drive of NAFED.
5. Tight stock position.

### WEATHER:

Dry weather over mustard growing regions.

### TECHNICALS: -

Candlestick has formed a hammer pattern indicating likely bullish reversal at lower levels. Prices closed well below both EMA's. MACD has further dived into negative territory and stochastic is hovering in oversold region indicating decline in positive momentum. RSI has moved still lower. Both Volumes and Open Interest declined.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	397	400	402.60	410	415

### Trade Recommendation:

**Sell** NCDEX Mustard May contract below 406 with target T1 at 402. Put SL at 408.

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

Markets	27.04.07	26.04.07	Change	Arrivals (Bags)
Jaipur (C)	2000	2000	0	-
Alwar(C)	1925-1930	1950	-20	8,000
Delhi(C)	1980-1985	1970-1975	+10	4000
Agra(C)/Katchi Ghani	2150/4900	2150/4900	0	-
Sri Ganganagar (NC)	1755-1760	1810	-50	3000
Kota (NC)	1800-1840	1860-1880	-40	20,000- 25,000

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET: -

Rates for nuts and oil softened on 5<sup>th</sup> consecutive day. Rates for different qualities of nuts across different centres in the states were reported in a range of Rs 410 to 510/20 Kg for different qualities of nuts. Rates for groundnut oil varied from Rs 672per 10 Kg. **Prices of nuts and groundnut oil softened on account of fresh selling of 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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