

## OILSEED DAILY

23<sup>rd</sup> April 2007

### SOYBEAN

#### SPOT MARKETS:

Prices of beans recovered after a long gap. Firm spot prices of soybean oil in MP and Maharashtra seem to have tracked overseas firmness in soybean oil. Soymeal traded with weak bias in domestic and at ports. Daily arrivals also showed slight improvement over previous day, but overall trend is declining during lean period. Prospects of good weather in US for corn planting, strength in wheat market were seen as factors supporting soybeans. A weakening of dollar will increase competitiveness of US soybean over South American soybeans in export market. Taiwan is likely to place orders for import of US soybean and corn combined

#### FUTURES MARKET: -

The most active May contract of soybeans at NCDEX traded steady amidst predominant buying interest. The futures opened up at Rs 1551/qrtl against previous close of Rs 1550.2/qrtl. Futures closed up at Rs 1556.1/qrtl, well above the previous closing levels tracking firm soybean futures at CBOT

#### PRICE DRIVERS:

1. Steady sentiments for soymeal.
2. Firm sentiments for soy oil in spot market.
3. Ample stocks of beans with China
4. Good demand for soybean and soy oil from South America.
5. Arrivals were negligible.
6. Avian Flu spreading to West from Asia

#### WEATHER:

Weather is of little concern during lean period.

#### TECHNICALS: -

Chart pattern shows firmness with slight tentativeness at higher levels. Prices have consolidated after profit taking yesterday and closed below the short term EMA's. MACD has dipped towards neutral region and stochastic has flattened in neutral region, signaling steady sentiments. RSI is showing signs of recovery at lower levels. Both Volumes and Open Interest declined.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	1545	1550	1556.10	1573	1578

#### Trade Recommendation:

**Buy** NCDEX May Soybean contract above 1556 with target T1 at 1563 and T2 at 1569. Put SL at 1552.

#### SPOT MARKET PRICES: -

Markets	Market	21.04.07	20.04.07	Change	Arrivals (Bags)
Indore	Plant	1560-1580	1560-1570	+10	15,000
Indore	Mandi	1490-1525	1475-1500	+25	
Maharashtra	Plant	1620	1620	0	10,000
Maharashtra	Mandi	1520-1600	1570-1590	+10	
Kota	Plant	1540-1550	1535-1540	+10	3,000
Kota	Mandi	1510-1520	1510-1520	0	

## MUSTARD

### SPOT MARKETS:

Daily arrivals across spot markets have tapered by end of week. Around 2 lakh bags arrived on Saturday. Prices of conditional seeds softened in Delhi, Jaipur and Alwar; shedding previous gains on Thursday and Friday. Ongoing marriage season ensures good demand for expeller oil in near to medium term across states of Bihar, Rajasthan, West Bengal and UP. Stockists may dispose off oil stocks [Limited quantity likely to be offloaded] in near term, as imports of edible oil would soften domestic prices of substitute edible oils as well. A long lean period for mustard [May to August] would add to stockpiling with private traders, as farmers will have to offload stocks sooner or later.

### FUTURES MARKET: -

The NCDEX May reflected sideways trading. It opened up at Rs 416.4/20 Kg against previous closing of Rs 415.9/20 Kg. Futures closed low at Rs 417.45/20 Kg slightly above the previous closing levels tracking firm sentiments in Hapur, Delhi and Sirsa exchange.

### PRICE DRIVERS:

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

### WEATHER:

Dry weather prospects for the days to come.

### TECHNICALS: -

Chart pattern shows that prices managed to recover previous weakness but couldn't sustain gains on higher side but managed to close above the 18 day EMA's. MACD and Stochastic have dipped indicating short-term weakness. RSI is recovering. Both Volumes and Open Interests have declined.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	409	411	417.45	423	426

### Trade Recommendation:

**Buy** NCDEX Mustard May contract above 415 with target T1 at 417 and T2 at 421. Put SL at 413.

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

Markets	21.04.07	20.04.07	Change	Arrivals (Bags)
Jaipur (C)	2025-2030	2030	0	-
Alwar(C)	1975-1980	1980-1990	-10	8,000
Delhi(C)	1990	2010	-20	6000
Agra(C)/Katchi Ghani	2175/5000	2150/5000	+25	-
Sri Ganganagar (NC)	1810	1790-1800	+10	5000
Kota (NC)	1870	1820-1860	+10	30,000

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET: -

Groundnut oil tracked firmness in edible oil sentiments across domestic market. Rates for oil and nuts firmed up marginally on Friday. 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 522/20 Kg. Rates for groundnut oil varied from Rs 690 per 10 Kg.** 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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