

## OILSEED DAILY

### SOYBEAN

1<sup>st</sup> May 2007

#### SPOT MARKETS:

Daily arrivals stood at previous levels. Rates of soybeans firmed up in Maharashtra and MP tracking slightly firm palm oil at BMD and also on account of value of rupee retreating on good demand for dollars by oil importers. However, rates for beans softened in Kota regions amidst firm sentiments for substitute [mustard expeller] oil in Rajasthan. Port delivery rates for soymeal managed to recoup previous losses but domestic rates for meal continued to remain weak on good stocks of meals at processors end and little buying support for beans by millers. Likely shift of soybean acreage on account of good weather prospects for corn in US and higher prices of corn would underpin soybean prices at CBOT in near term. Disruptions in harvest of soybean in Argentina may relax cumulative supply pressure of beans from South America in near term and news of China preferring to import soybean from US instead of South America on account of relatively cheaper oceanic freight cost for importing beans may provide additional support to soybean at CBOT. Chinese markets will be closed May 1-7 for the Labor Day holiday. The domestic market would solely track soybean at CBOT. 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 firm amidst edible oil sentiments in domestic and at BMD. The futures opened up at Rs 1519.95/qttl against previous close of Rs 1520.5/qttl. Futures closed up at Rs 1535.3/qttl, well above the previous closing levels.

#### PRICE DRIVERS:

1. Weak sentiments for soymeal in domestic and overseas markets.
2. Retreating value of Rupees.
3. Good corn planting progress in US and China
4. Soybean harvest likely to be disrupted in Argentina.
5. Steady arrival pressure for beans.
6. Labour holiday in China

#### WEATHER:

Weather is of little concern during lean period.

#### TECHNICALS: -

Candlestick show firmness but with slight tentativeness at higher levels. Prices are likely to hold steady to firm in near term with slight corrections expected at higher levels. Prices closed between 9/18 day EMA's. MACD is hovering in negative territory. Stochastic and RSI are heading up from oversold regions indicating gain in positive momentum. Volumes increased considerably whereas Open Interest declined.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	1514	1522	1535.30	1550	1560

#### Trade Recommendation:

**BUY** NCDEX May Soybean contract above 1530 with target T1 at 1540 and T2 at 1546. Put SL at 1525.

#### SPOT MARKET PRICES: -

Markets	Market	30.04.07	28.04.07	Change	Arrivals (Bags)
Indore	Plant	1550-1570	1530-1550	+20	20,000
Indore	Mandi	1480-1510	1470-1500	+10	
Maharashtra	Plant	1610	1610	0	10,000
Maharashtra	Mandi	1550	1530-1540	+10	
Kota	Plant	1490	1510-1515	-25	2,000
Kota	Mandi	1450	1450-1475	-25	

## MUSTARD

### SPOT MARKETS:

Arrivals on Monday declined further to 1.5 lakh bags from previous weekends arrival of 1.7 lakh bags. As mentioned earlier arrivals would taper from first week of May amidst dwindling private inventories of seeds and virtual scarcity of edible oil before first shipments for edible oils touch our shores by second half of May. Following up previous week's trend, rates for mustard seeds continued to remain firm amidst firm sentiments for mustard seeds at domestic exchanges and good demand for expeller oil across spot markets. Retreating value of rupees and good demand for dollar by oil importers would decide market sentiments for edible oils and thus for mustard complex in near term. Mustard complex is tracking soybean complex to greater extent, it's likely that gains in soy complex would signal similar gains for mustard complex as well in short term.

### FUTURES MARKET: -

The NCDEX May contract traded firm amidst good buying support and bullish cues from domestic exchanges. It opened at Rs 404.5/20 Kg against previous closing of Rs 405.7/20 Kg. Futures closed high at Rs 411.7/20 Kg, well above the previous closing levels.

### PRICE DRIVERS:

1. Resellers quoted higher rates for seeds.
2. Arrivals declined on Monday.
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 bullish sentiments. Prices continued its uptrend and closed between 9/18 day EMA's. MACD is about to make a move upwards from negative territory. Stochastic and RSI are heading up indicating slight gain in positive momentum. Volumes soared up considerably relative to open interest.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	397	402	409.35	421	425

### Trade Recommendation:

**Buy** NCDEX Mustard May contract above 408 with target T1 at 415 and T2 at 418. Put SL at 405.

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

Markets	30.04.07	28.04.07	Change	Arrivals (Bags)
Jaipur (C)	2015-2020	2005	+15	-
Alwar(C)	1925-1930	1925	+5	10,000
Delhi(C)	1970-1975	1980-1985	-10	5000
Agra(C)/Katchi Ghani	2200/5000	2175/4925	+25	-
Sri Ganganagar (NC)	1790	1780-1785	+5	6000
Kota (NC)	1890	1880	+10	25,000

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET: -

Rates for nuts and oil soften on Monday, continuing to witness the downtrend. Rates for different qualities of nuts across different centres in the states were reported in a range of Rs 410 to 506/20 Kg for different qualities of nuts. Rates for groundnut oil was quoted at Rs 664 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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