

OILSEED DAILY

SOYBEAN

21st April 2007

SPOT MARKETS:

Daily average arrivals of soybean during second fortnight of March and first fortnight of April stood at 60,000 to 80,000 bags and 20,000 to 30,000 bags respectively, which further declined during third week of April to 10,000 to 22,000 bags. However, prices of beans didn't appreciate much during the stipulated time frame above. Meager arrivals were reported on Friday on account of reports of festive celebration of 'Akha Teej' an auspicious day for farming community. Spot prices of soybean oil stood firm tracking overseas firmness in edible oils. Rates of beans recovered previous days weakness. However, soymeal traded steady, soymeal prices are low, so processing plants are reluctant to purchase more soybeans due to low profits. The demand for soymeal is sluggish due to slow recovery in the feeding sector, keeping the soymeal stocks at high levels. In China, domestic supplies of beans are sufficient and import of further stocks from South America would pressure prices of beans further. However, the news that China may take more serious steps to slow its economic growth led oil sectors across globe take a back seat temporarily. Reports of increase in import of edible oil by China and India are likely to soften prices of domestic edible oils for the days to come.

FUTURES MARKET: -

The most active May contract of soybeans at NCDEX traded weak amidst predominant selling pressure. The futures opened up at Rs 1568.8/qrtl against previous close of Rs 1568/qrtl. Futures closed low at Rs 1550.2/qrtl, well below the previous closing levels.

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 bearish candlestick. Prices closed below the short term EMA's. MACD is dipping towards neutral region and stochastic has flattened in neutral region, signaling temporary weakness. RSI has dipped low indicating technical correction ahead. Volumes increased and Open Interest declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	1535	1540	1550.20	1559	1563

Trade Recommendation:

Sell NCDEX May Soybean contract below 1554 with target T1 at 1545. Put SL at 1558.

SPOT MARKET PRICES: -

Markets	Market	20.04.07	19.04.07	Change	Arrivals (Bags)
Indore	Plant	1560-1570	1535-1555	+15	5,000
Indore	Mandi	1475-1500	1480-1510	-10	
Maharashtra	Plant	1620	1620	0	10,000
Maharashtra	Mandi	1570-1590	1570-1590	0	
Kota	Plant	1535-1540	1535-1550	-10	1,000
Kota	Mandi	1510-1520	1500-1525	-5	

MUSTARD

SPOT MARKETS:

During first three weeks of April, prices of conditional and Non-conditional [C & NC] continued to stay firm and daily average arrivals were steady between 1.5 to 2.5 lakh bags as compared to previous months average daily arrivals of 2.5 to 3.5 lakh bags. Despite good harvest, arrivals declined gradually indicating significant stockpiling of seeds by private traders, as NAFED lags behind its pre-set target of 55 to 60 thousand MT initially. Spot market sentiments for mustard expeller oil were almost firm across spot markets. Daily arrivals on Friday declined to 2 lakh bags from previous day's 2.5 lakh bags. Supply crunch and steady demand led prices of seeds firm up consecutively on Friday. Seeds that are having good oil content [38 to 42%] and minimum moisture content [8 to 10%] are fetching better prices in the open market. Active buying by millers and tight stock position is likely to keep prices of seeds mostly firm in near term unless supply pressure exceeds demand.

FUTURES MARKET: -

The NCDEX May reflected choppy trading. It opened low at Rs 418/20 Kg against previous closing of Rs 419.1/20 Kg. Futures closed low at Rs 415.9/20 Kg slightly below the previous closing levels tracking bearish cues from Hapur and Delhi exchange.

PRICE DRIVERS:

1. Resellers quoted higher rates for seeds.
2. Arrivals improved marginally.
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 steady market sentiments. Prices couldn't sustain previous gains and closed below the 9-day and 18 day EMA's. MACD and Stochastic have dipped indicating short-term weakness. RSI too followed the suit and dipped low indicating corrections. Both Volumes and Open Interests have declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	401	405	415.90	420	423

Trade Recommendation:

Sell NCDEX Mustard May contract below 415 with target T1 at 412 and T2 at 409. Put SL at 418.

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

Markets	20.04.07	19.04.07	Change	Arrivals (Bags)
Jaipur (C)	2030	2010	+20	-
Alwar(C)	1980-1990	1935-1940	+50	5,000
Delhi(C)	2010	2005	+05	3000
Agra(C)/Katchi Ghani	2150/5000	2100/4925	+50	-
Sri Ganganagar (NC)	1790-1800	1760	+40	3000
Kota (NC)	1820-1860	1770-1800	+60	25,000-30,000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Fresh arrivals for groundnut are expected to reach markets by second half of next May. 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 521/20 Kg. Rates for groundnut oil varied from Rs 688per 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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