

## OILSEED DAILY

3<sup>rd</sup> April 2007

### SOYBEAN

#### SPOT MARKETS:

No arrivals were reported across spot markets on account of 'Hanuman Jayanti'. However rates of beans across plants stood range bound. Rates for soymeal managed to stay firm at previous levels despite dull trading in spot markets. The higher demand for crushing for soybeans amidst dwindling stocks of beans available with processing units is likely to keep meal prices on firm note. The availability of beans for crushing tapers from March onwards until start of new Kharif season. Traders estimate that edible oil imports are likely to increase in ensuing months on account of demand supply gap during the lean season. The price trend for soymeal and soybean oil would largely depend on International developments. The 'planting and grain stocks' reports of USDA that soybean acreage would decline this year would provide underlying bullishness ahead besides curtailing imports of soybean from Asia.

#### FUTURES MARKET: -

The most active May contract of soybeans at NCDEX opened at 1592/qrtl against previous closing levels of Rs 1589.1/qrtl. The futures opened firm but couldn't sustain gains on account of profit booking at higher levels and closed low at Rs 1581.1/qrtl, well below the previous closing level.

#### PRICE DRIVERS:

1. Improved soymeal rates in domestic market.
2. Steady to firm sentiments for soy oil in domestic and overseas market.
3. Gradual decline in inventories of soybeans at processors end
4. Stiff competition between soybean oil and palm oil to gain market share.
5. Bullish USDA report for soybean acreage

#### WEATHER:

Weather is of little concern during lean period. Dry weather reported over the country.

#### TECHNICALS: -

Candlestick pattern shows bearishness. The contract is facing some resistance at 1598-1600 levels. Prices couldn't recover previous loss and closed slightly below the 9 day EMA. MACD is heading up and Stochastic is moving down, indicating likely technical corrections. Higher levels warrant some caution on part of bulls. Volumes increased and Open Interest declined.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	1572	1578	1581.50	1605	1610

#### Trade Recommendation:

**Buy** NCDEX May Soybean contract above 1585 with target T1 at 1590 and T2 at 1600. Put SL at 1582.

#### SPOT MARKET PRICES: -

Markets	Market	02.04.07	31.03.07	Change	Arrivals (Bags)
Indore	Plant	1570-1600	1585-1600	0	Not Reported
Indore	Mandi	-	-		
Maharashtra	Plant	1680	1670	+10	Not Reported
Maharashtra	Mandi	-	-		
Kota	Plant	1590-1600	1580-1600	0	Not Reported
Kota	Mandi	-	-		

## MUSTARD

### SPOT MARKETS:

The week started off amidst celebrations of Hanuman Jayanti. Though major market remained closed but arrivals continued at few places during first half of trading as plants continued their offtake from stockists. Arrival across spot markets stood in a range of 2 to 2.25 lakh bags. Prices of mustard seeds and expeller oil recovered previous losses and stood firm as resellers quoted slightly higher prices amidst improved demand from millers and stockists. As per an observation, the demand for edible oil in current and ensuing month is likely to fall short of supply as domestic consumption is escalating and demand remains persistent. On account of it, farmers and stockists are likely to hold back fresh seed stocks under anticipation to sell off when prices firm up ahead.

### FUTURES MARKET: -

The NCDEX May contract traded firm amidst good buying support at higher levels. The futures opened at Rs 418/20 Kg against previous closing level of Rs 417.50/20 Kg. The mustard futures closed at 419.5/20 Kg, marginally above the previous closing levels.

### PRICE DRIVERS:

1. Resellers quoted higher rates for mustard seeds
2. Seeds with less moisture and good oil content are fetching better prices.
3. Arrivals have improved.
4. Mixed sentiments for mustard expeller oil.
5. Few markets remained closed on account of Hanuman Jayanti.

### WEATHER:

Dry weather reported across the country.

### TECHNICALS: -

Candlesticks show firmness with slight tentativeness at higher levels. Prices have managed to recover previous loss and are likely to breach a psychological barrier at 420-422 levels. Prices closed above short term EMA's. MACD is moving up, whereas Stochastic has entered the overbought region and has become flat. Volumes increased and Open Interest declined.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	410	415	419.50	428	432

### Trade Recommendation:

**Buy** NCDEX Mustard May contract above 418 with target T1 at 425. Put SL at 415.

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

Markets	02.04.07	31.03.07	Change	Arrivals (Bags)
Jaipur (C)	2060	2040	+20	-
Alwar(C)	1950-1960	1925	+35	10,000
Delhi(C)	2070-2075	2085-2090	-15	2000
Agra(C)/Katchi Ghani	2200/4850	2150/4800	+50	-
Sri Ganganagar (NC)	1780	1775-1780	0	25,000
Kota (NC)	1760-1780	1750-1770	+10	30,000 -40,000

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET: -

Rates for groundnut oil and groundnuts remained steady at previous levels. Demand for oil is said to be improving at retail end. Arrivals were reported to be around 5000 to 8000 bags. 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 500/20 Kg.

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