

## OILSEED DAILY

5<sup>th</sup> April 2007

### SOYBEAN

#### SPOT MARKETS:

Rates of soybean across plants softened on account of weak soymeal sentiments in domestic and overseas market [CBOT]. Domestic soybean oil drew support from firm palm oil and managed to stay firm despite bearish cues from CBOT. The very observation gave resellers enough room to quote slightly higher rates for beans amidst steady arrival pressure and demand from millers and solvent units alike for crushing of beans. Arrival pressure of mustard seeds is unlikely to put pressure on soybean prices in short term, as it has not yet picked up the pace.

#### FUTURES MARKET: -

The most active May contract of soybeans at NCDEX opened at 1580.5/qrtl against previous closing levels of Rs 1582.75/qrtl. The futures derived its strength from firm soybean oil sentiments in domestic market at the back of firm palm oil at BMD and closed up at Rs 1591/qrtl.

#### PRICE DRIVERS:

1. Steady to weak 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. Weak soy futures at CBOT.
5. Firm palm oil at BMD.

#### WEATHER:

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

#### TECHNICALS: -

Candlestick pattern shows firmness with predominant selling interest. Prices managed to recover previous loss but closed below the 9 day EMA. MACD and Stochastic have moved down, indicating likely technical corrections and decline in positive sentiments. Higher levels warrant some caution on part of bulls. Volumes and Open Interest declined.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	1558	1565	1591	1595	1600

#### Trade Recommendation:

**Sell** NCDEX May Soybean contract below 1586 with target T1 at 1580 and T2 at 1570. Put SL at 1585.

#### SPOT MARKET PRICES: -

Markets	Market	04.04.07	03.04.07	Change	Arrivals (Bags)
Indore	Plant	1580-1600	1580-1610	-10	10,000 - 15,000 in MP
Indore	Mandi	1560-1580	1530-1560	+20	
Maharashtra	Plant	1610-1680	1685	-5	10,000
Maharashtra	Mandi	1610-1650	1610-1640	+10	
Kota	Plant	1585-1590	1585-1590	0	5000 in Rajasthan
Kota	Mandi	1560	1560-1570	-10	

## MUSTARD

### SPOT MARKETS:

Tracking bearish cues from Delhi, Sirsa and Hapur exchange, resellers quoted lower rates for mustard seeds, following which, expeller oil traded amidst bearish undertone. Around 3.5 lakh bags arrived on Wednesday, surpassing yesterday's arrivals by 50,000 bags. Clear and dry weather predicted for days to come would facilitate further arrivals across spot markets namely Kota and Sri Ganganagar regions. Approaching marriage season signals good demand for expeller oil at retail end thereby keeping rates for seeds almost steady to firm.

### FUTURES MARKET: -

The NCDEX May contract traded weak initially, but slight firm sentiments from Sirsa exchange during second half of trading gave underlying support and the spill over affect was evident on NCDEX. The futures opened at Rs 417.6/20 Kg against previous closing level of Rs 418.1/20 Kg. The mustard futures closed at 420.6/20 Kg, marginally below the previous closing levels.

### PRICE DRIVERS:

1. Resellers quoted lower rates for mustard seeds
2. Arrivals have improved.
3. Weak sentiments for mustard expeller oil.
4. Dull procurement drive of NAFED.

### WEATHER:

Dry weather reported across the country.

### TECHNICALS: -

Candlesticks show firmness. Prices managed to recoup previous loss and closed above short term EMA's. MACD is moving up, whereas Stochastic in the overbought region has made a bearish cross over. Technical corrections expected if prices couldn't sustain gains over 415 levels. Both the Volumes and Open Interest declined.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	411	415	420.60	424	428

### Trade Recommendation:

**Buy** NCDEX Mustard May contract above 418 with target T1 at 421. Put SL at 416.

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

Markets	04.04.07	03.04.07	Change	Arrivals (Bags)
Jalpur (C)	2040-2050	2060-2065	-15	-
Alwar(C)	1950	2000	-50	15,000
Delhi(C)	2070	2100	-30	8000-10,000
Agra(C)/Katchi Ghani	2250/4700	2250/4800	0	-
Sri Ganganagar (NC)	1765	1800	-35	20,000-25,000
Kota (NC)	1780-1820	1800-1820	0	30,000

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET: -

Improved demand for groundnut oil at retail end has supported prices of nuts across spot markets to stay firm; prices of both oil and nuts are heading up. 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 508/20 Kg. Rates for groundnut oil varied from Rs 660 to 665 per 10 Kg.

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