

OILSEED DAILY

4th April 2007

SOYBEAN

SPOT MARKETS:

Total arrivals across spot markets are declining gradually, as stockists are disposing off beans in limited quantity at the back of dwindling private stocks. Arrivals on Tuesday declined to 30,000 bags from previous week's average daily arrivals of 40,000 bags. Prices continued to remain steady to firm tracking overseas sentiments for soy complex and palm oil. Good prices offered for soymeal and soybean oil in domestic market aided spot market sentiments. Firm soymeal and soybean oil sentiments at CBOT imparted additional firmness to domestic soy complex. International developments, namely demand for ethanol coupled with sentiments of grain market [Corn] in overseas, harvest progress of soybean in South America and prices of palm oil at BMD are key factors that have a direct affect on routine trading in domestic market and needs to be watched closely.

FUTURES MARKET: -

The most active May contract of soybeans at NCDEX opened at 1587/qrtl against previous closing levels of Rs 1581.75/qrtl. The futures opened firm but couldn't sustain gains on account of predominant selling interest at higher levels and closed low at Rs 1582.75/qrtl, near 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. Firm soy futures at CBOT.
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 unable to breach the resistance levels of 1598-1600. Prices couldn't recover previous loss and closed near the 9 day EMA. MACD is heading up and Stochastic is moving down, indicating likely technical corrections ahead. Higher levels warrant some caution on part of bulls. Volumes and Open Interest declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	1574	1578	1582.75	1600	1606

Trade Recommendation:

Sell NCDEX May Soybean contract below 1590 with target T1 at 1585. Put SL at 1595.

SPOT MARKET PRICES: -

Markets	Market	03.04.07	02.04.07	Change	Arrivals (Bags)
Indore	Plant	1580-1610	1570-1600	+10	10,000 - 12,000 in MP
Indore	Mandi	1530-1560	-	-	
Maharashtra	Plant	1685	1680	+05	15,000
Maharashtra	Mandi	1610-1640	-	-	
Kota	Plant	1585-1590	1590-1600	-10	5000 in Rajasthan
Kota	Mandi	1560-1570	-	-	

MUSTARD

SPOT MARKETS:

The markets reopened with firm note. Arrivals on Tuesday surpassed previous days arrivals by 75,000 bags. Stockists have been actively procuring seeds from farmers at market prices, as procurement drive of seeds from NAFED seems to be dull at this moment. However, they regularly dispose off seeds in good quantity when spot market sentiments rule firm. Fresh harvests of seeds are yet to pick pace. The demand from millers and expeller plants continued to be steady. As per official sources, total mustard procured till date stands at previous levels of 20,000 MT as no new purchase was reported from across the states. The prediction for the presence of strong currents of North Westerly winds is unlikely to have major impact on standing crop of mustard as harvesting is already in progress and there is no prediction for winds accompanied by rains.

FUTURES MARKET: -

The NCDEX May contract traded firm initially amidst good buying support at higher levels but bearish cues from Delhi, Sirsa and Hapur exchange prevented further gains. The futures opened at Rs 420/20 Kg against previous closing level of Rs 419.45/20 Kg. The mustard futures closed at 418.1/20 Kg, marginally below 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. Dull procurement drive of NAFED.

WEATHER:

Dry weather reported across the country.

TECHNICALS: -

Candlesticks show prices facing stiff resistance at higher level of 420 to 422. Prices closed above short term EMA's. MACD is moving up, whereas Stochastic in the overbought region has made a bearish cross over indicating for slight technical corrections. Both the Volumes and Open Interest increased.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	410	413	418.10	423	426

Trade Recommendation:

Sell NCDEX Mustard May contract below 418 with target T1 at 415. Put SL at 420.

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

Markets	03.04.07	02.04.07	Change	Arrivals (Bags)
Jaipur (C)	2060-2065	2060	+05	-
Alwar(C)	2000	1950-1960	+40	15,000
Delhi(C)	2100	2070-2075	+25	10,000-12,000
Agra(C)/Katchi Ghani	2250/4800	2200/4850	+50	-
Sri Ganganagar (NC)	1800	1780	+20	20,000-25,000
Kota (NC)	1800-1820	1760-1780	+40	30,000 -40,000

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 506/20 Kg. Rates for groundnut oil varied from Rs 658 to 660 per 10 Kg.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.