

OILSEED DAILY

SOYBEAN

18th April 2007

SPOT MARKETS:

No arrivals of soybeans were reported across spot markets except for marginal arrivals in Kota on account of Amavasya. Prices of soybean across plants softened marginally tracking temporary weakness in edible oil sentiments in domestic and overseas. Domestic soymeal sentiments stood steady at previous levels on account of marginal recoup for soymeal sentiments in overseas. Factors that contributed to temporary weakness in soy-complex in overseas were good crushing reports [NOPA] for soybean in US besides ample oil stocks during March 2007, weak soybean oil in overseas and prospects of good soybean harvest in South America. On the contrary, Malaysia's end-March palm oil stocks fell 10.6 percent to 1.34 million tonnes while exports jumped almost 30 percent during the month and production failed to keep pace, the Malaysian Palm Oil Board said on Tuesday. Malaysia's exports are picking up after months of slowdown because of strong demand from the world's top buyers, China and India. The very factor would provide underlying support to prices of edible oil in near future.

FUTURES MARKET: -

The most active May contract of soybeans at NCDEX traded weak tracking weak soy futures at CBOT. The futures opened low at Rs 1570/qrtl against previous close of Rs 1571/qrtl. Futures closed low at Rs 1566/qrtl, well below the previous closing levels.

PRICE DRIVERS:

1. Steady soymeal rates in domestic market.
2. Mixed sentiments for soy oil in domestic market.
3. 77% harvest of soybean completed in Brazil.
4. Arrivals were negligible.
5. Edible oil imports are likely to increase during May and June.

WEATHER:

Weather is of little concern during lean period.

TECHNICALS: -

Chart pattern indicates bearishness. Prices plunged and closed below the short term EMA's. MACD is moving down towards neutral region indicating downtrend likely, whereas the Stochastic is on the verge of making bearish cross over. RSI is moving down indicating further corrections. Volumes increased and Open Interest declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	1556	1560	1566	1580	1585

Trade Recommendation:

Sell NCDEX May Soybean contract above 1572 with target T1 at 1564. Put SL at 1575.

SPOT MARKET PRICES: -

Markets	Market	17.04.07	16.04.07	Change	Arrivals (Bags)
Indore	Plant	1550-1560	1570	-10	No Arrivals reported
Indore	Mandi	-	1510	-	
Maharashtra	Plant	1650	1660	-10	No Arrivals reported
Maharashtra	Mandi		1580-1600	-	
Kota	Plant	1560	1580	-20	Marginal arrivals in Rajasthan
Kota	Mandi		1520-1530	-	

MUSTARD

SPOT MARKETS:

Arrivals on Tuesday fell to 2 lakh bags as compared to 3 lakh bags on Monday. Major markets witnessed dull trading on account of Amavasya. However, offtake by private traders continued. Prices of seeds softened on account of bearish cues from domestic exchanges. On the contrary, spot prices of expeller oil continued to remain slightly firm. Trade activity for seeds and oil in Uttar Pradesh [UP] is likely to be dull today on account of third round of assembly polls. NAFED's procurement drive continues to be dull. The farmers' cooperative is said to be procuring seeds having prescribed moisture content of 8%. Looking at the policy measures, the preference for use of imported edible oil against domestic production by slashing import duty on edible oils is seen as diversion for cheaper and ready available oils.

FUTURES MARKET: -

The NCDEX May contract traded weak tracking bearish cues from Hapur, Sirsa and Delhi exchange and profit booking at higher levels. It opened low at Rs 422.6/20 Kg against previous closing of Rs 423.75/20 Kg. Futures closed low at Rs 418.5/20 Kg well below the previous closing levels.

PRICE DRIVERS:

1. Rates for seeds steady at previous levels.
2. Arrivals improved marginally.
3. Steady to firm sentiments for mustard expeller oil in Delhi and Alwar.
4. Slow procurement drive of NAFED.

WEATHER:

Thunderstorm likely over Western UP, some parts of North MP, Rajasthan and parts of Vidharba. Major parts of mustard crops have been harvested, impact over crop is unlikely.

TECHNICALS: -

Chart pattern show weak market sentiments. Prices couldn't sustain initial gains and closed below the short term EMA. MACD is moving down towards neutral region and Stochastic is on the verge of making bearish cross over in overbought regions. RSI is dipping, possibly indicating for further correction. Volumes increased and Open Interest declined marginally.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	410	414	418.50	423	426

Trade Recommendation:

Sell NCDEX Mustard May contract below 420 with target T1 at 417. Put SL at 422.

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

Markets	17.04.07	16.04.07	Change	Arrivals (Bags)
Jaipur (C)	2025	2035-2040	-15	-
Alwar(C)	1975-1980	2000	-20	5,000
Delhi(C)	2010-2015	2035-2040	-25	5000
Agra(C)/Katchi Ghani	2200/4975	2175/5000	+25	-
Sri Ganganagar (NC)	1775-1780	1805	-25	4000
Kota (NC)	1560	1580	-20	-

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 temporary weakness in edible oil sentiments across domestic market. Rates for oil and nuts softened marginally on Tuesday. 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 520/20 Kg. Rates for groundnut oil varied from Rs 688 per 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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