

OILSEED DAILY

SOYBEAN

16th April 2007

SPOT MARKETS:

Reduction in import duty of edible oils [RBD Palmolein and CPO] is expected to soften the domestic prices of edible oils. The tariff value of edible oils has been kept frozen at July 2006 levels. On the contrary, shortage of oil and bean stocks in domestic market amidst projected firmness in palm oil overseas would prevent softening of edible oil prices even if tariff values are revised upwards. On occasion of Ambedkar Jayanti, trade activities remained suspended. Marginal arrivals were reported across Maharashtra and Rajasthan Mandis. Soybean oil tracked overseas firmness in palm oil and traded firm, however, soymeal traded weak tracking overseas weakness in soymeal and steady to weak port delivery rates for soymeal.

FUTURES MARKET: -

The most active May contract of soybeans at NCDEX traded firm initially tracking firm edible oil sentiments in domestic and overseas but settled indecisive by end of trading session. The futures opened low at Rs 1575/qttl against previous close of Rs 1577.1/qttl. Futures closed low at Rs 1576.6/qttl, marginally below the previous closing levels.

PRICE DRIVERS:

1. Steady to weak soymeal rates in domestic market.
2. Firm sentiments for soy oil in domestic market.
3. Centre reduced import duty on CPO and RBD.
4. 77% harvest of soybean completed in Brazil.
5. Arrivals were negligible.

WEATHER:

Weather is of little concern during lean period.

TECHNICALS: -

Chart pattern indicates spinning top formation reflecting indecisiveness in the market. Prices closed above the 9-day and 18-day EMA. MACD is moving down and Stochastic has made a bullish cross over in oversold region and heading up. RSI is moving up. Volumes increased and Open Interest declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	1567	1570	1576.60	1585	1595

Trade Recommendation:

Buy NCDEX May Soybean contract above 1577 with target T1 at 1581. Put SL at 1574.

SPOT MARKET PRICES: -

Markets	Market	14.04.07	13.04.07	Change	Arrivals (Bags)
Indore	Plant	1560-1575	1555-1570	+5	10,000 in MP
Indore	Mandi	1490-1520	1490-1530	-10	
Maharashtra	Plant	1650	1620-1660	-10	5000
Maharashtra	Mandi		1560-1600		
Kota	Plant	1560-1570	1570-1580	-10	2000 in Rajasthan
Kota	Mandi		1540-1555	-	

MUSTARD

SPOT MARKETS:

Around 2.5 to 2.75 lakh bags arrived on Saturday, a marginal decline of 25,000 bags over previous days arrivals. Trading activity remained subdued on account of official holiday for Ambedkar Jayanti and weekend trading. Resellers quoted lower rates for seeds across spot markets. However, mustard expeller oil traded firm at Rajasthan, UP and Haryana tracking firm sentiments from Hapur, Sirsa and Delhi exchange. In general, firm edible oil sentiments in domestic market supported prices of mustard oil to greater extent. Higher market prices of mustard seeds have lured farmers to sell off their stocks to private traders. Procurement drive of NAFED remained dull on Saturday also.

FUTURES MARKET: -

The NCDEX May contract traded firm on account of mostly firm sentiments at Sirsa and Delhi exchange. It opened low at Rs 423.1/20 Kg against previous closing of Rs 424.1/20 Kg. Futures closed up at Rs 426.35/20 Kg slightly above the previous closing levels.

PRICE DRIVERS:

1. Resellers quoted lower rates for mustard seeds
2. Arrivals steady at previous levels.
3. Steady to firm sentiments for mustard expeller oil.
4. Slow procurement drive of NAFED.
5. Dull trading on account of Ambedkar Jayanti.

WEATHER:

Dry weather across mustard growing regions favouring arrivals.

TECHNICALS: -

Candlesticks show bullishness. Prices continued its up trend and closed above the short term EMA's and are likely to face some resistance at 428 levels. Both MACD and Stochastic are heading up. RSI in overbought region indicating a possible correction lower. Volumes declined and Open Interest increased.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	420	422	426.35	432	432

Trade Recommendation:

Buy NCDEX Mustard May contract above 424 with target T1 at 427 and T2 at 430. Put SL at 422.

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

Markets	14.04.07	13.04.07	Change	Arrivals (Bags)
Jaipur (C)	2040-2050	2040	+10	-
Alwar(C)	1980-1990	2000	-10	10,000
Delhi(C)	2020-2025	2050	-25	5000
Agra(C)/Katchi Ghani	2175/4950	2175/4900	0	-
Sri Ganganagar (NC)	1805	1805	0	6000
Kota (NC)	1850	1860	-10	30,000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Groundnut oil tracked firm edible oil sentiments in domestic market. Rates for oil and nuts firmed up successively on Saturday. Arrivals have declined further. 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 518/20 Kg. Rates for groundnut oil varied from Rs 675-678 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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