

OILSEED DAILY

SOYBEAN

13th April 2007

SPOT MARKETS:

Tracking firm sentiments for edible oil and meal in domestic and overseas markets, arrivals on Thursday stood at 60,000 bags, surpassing previous days arrivals by 25-30,000 bags. Spot market for soybean oil ruled firm in Maharashtra elsewhere it stood steady at previous levels. However, on account of apprehension over Cabinets decision over duty structure of soy-degummed and CPO, soybean oil at NBOT traded weak. Anxiety came to standstill after Centre didn't took any decision on duty structure of both the oils. Strength in soybean oil at CBOT at the back of firm palm oil at BMD helped meal recoup previous loss. However, soymeal remained under pressure from good harvest progress of soybean in South America at the back of dry weather favouring harvest of beans. Domestically, soymeal traded mostly steady to firm. Port delivery rates were range bound. Harvest progress in Brazil in 77% completed as on 10th of April. Pressure on meal can't be ruled out for the days to come.

FUTURES MARKET: -

The most active May contract of soybeans at NCDEX traded firm initially, but apprehension of change in duty structure of soy-degummed and CPO weakened the market sentiments during second half of trading. The futures opened at Rs 1567/qrtl against previous close of Rs 1570/qrtl. Futures close low at Rs 1568/qrtl despite firm palm oil and soybean oil in overseas.

PRICE DRIVERS:

1. Steady to firm soymeal rates in domestic market.
2. Firm sentiments for soy oil in domestic market.
3. Centre didn't take any decision on revising duty structure for soy-degummed and CPO.
4. PDS for vegetable oil likely.
5. 77% harvest of soybean completed in Brazil.
6. Arrivals improved considerably on Thursdays.

WEATHER:

Weather is of little concern during lean period.

TECHNICALS: -

Candlestick pattern shows Gravestone Doji formation. The long upper shadow indicates a failed rally. Prices closed below the 9-day EMA. MACD is moving down and Stochastic has made a bullish cross over in oversold region. RSI is moving down. Both Volumes and Open Interest declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	1559	1563	1568	1578	1583

Trade Recommendation:

Sell NCDEX May Soybean contract below 1572 with target T1 at 1566. Put SL at 1574

SPOT MARKET PRICES: -

Markets	Market	12.04.07	11.04.07	Change	Arrivals (Bags)
Indore	Plant	1560-1570	1550-1570	0	40,000 in MP
Indore	Mandi	1510-1520	1520-1530	-10	
Maharashtra	Plant	1620-1660	1650	+10	15,000
Maharashtra	Mandi	1570-1620	1580-1600	+20	
Kota	Plant	1570-1575	1540	+35	5000 in Rajasthan
Kota	Mandi	1520-1550	1480-1490	+60	

MUSTARD

SPOT MARKETS:

Anxiety over reduction of import duty on CPO and Soy degummed finally settled, as Centre has not taken any decision to cut the duty structure on both. Sentiments for expeller oil weakened during second half of trading on account of apprehension over import duty structure of both the oils. However spot market prices of expeller oil ruled firm. Arrivals stood at 3.5 lakh bags surpassing previous days arrivals by 50,000 bags. Prices have escalated over past few days. Good procurement drive of mustard seeds by NAFED, Rajasthan State Oilseed Association [RSOA] and millers has supported the seed prices across spot markets. As per official sources, 1000-1500 MT of seeds have been procured by NAFED during this week that adds cumulative figure to around 21,000 to 21,500 MT of seeds. However, trade activity of expeller in UP is likely to be dull tomorrow on account of start of second phase of Assembly elections in 58 constituencies of ten districts of Agra, Meerut and Saharanpur divisions.

FUTURES MARKET: -

The NCDEX May contract traded firm initially but closed indecisive on apprehension of change in duty structure of CPO and soy degummed. It opened at Rs 421.1/20 Kg against previous closing of Rs 421.75/20 Kg. Futures close low at Rs 421.55/20 Kg near the previous closing levels.

PRICE DRIVERS:

1. Resellers quoted higher rates for mustard seeds
2. Arrivals steady at previous levels.
3. Steady to firm sentiments for mustard expeller oil.
4. NAFED and RSOA started off procurement drive in Rajasthan.
5. Dull trading likely in UP on account of assembly elections.
6. No change in import duty of edible oils.

WEATHER:

Dry weather across mustard growing regions favouring arrivals.

TECHNICALS: -

Candlesticks have formed a Doji pattern and shows tentativeness at higher levels. Prices closed above the short term EMA's and are likely to face some resistance at 428 levels. MACD has become flat and Stochastic has become steady. RSI is in overbought region. Volumes increased and Open Interest declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	415	418	421.55	430	433

Trade Recommendation:

Buy NCDEX Mustard May contract above 422 with target T1 at 426. Put SL at 420.

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

Markets	12.04.07	11.04.07	Change	Arrivals (Bags)
Jaipur (C)	2050-2055	2010-2015	+40	-
Alwar(C)	2000	1980-2000	0	10,000
Delhi(C)	2100	2030-2035	+65	6000
Agra(C)/Katchi Ghani	2175/4850	2000/4850	+175	-
Sri Ganganagar (NC)	1810	1760-1770	+40	10,000
Kota (NC)	1880	1850	+30	30,000-40,000

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. 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 516/20 Kg. Rates for groundnut oil varied from Rs 670-672 per 10 Kg. Rates stood at previous levels. 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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