

OILSEED DAILY

SOYBEAN

27th April 2007

SPOT MARKETS:

Prices of beans across domestic markets continued to decline on Thursday despite firm soybean and soy oil sentiments at CBOT. Firmness in grains and oil had supported soybean in overseas market. The spill over affect was evident domestically, as soymeal managed to recover marginally, but overall subdued sentiments for edible oils couldn't provide much support to prices of soybeans. Strengthening of Rupees has further softened the prices of edible oils across domestic markets well before imported oil reaches our shores. Vegetable oil producers have reduced the prices of edible oils by Rs 1000 per MT. The markets in overseas especially China and US expect increasing demand for corn to draw in more acreage relative to soybean, which may provide support to soybean prices there but is unlikely to sustain amidst good harvest pressure of soybeans in South America.

FUTURES MARKET: -

The most active May contract of soybeans at NCDEX traded steady amidst predominant selling interest despite firm soy futures at CBOT. The futures opened up at Rs 1515/qrtl against previous close of Rs 1510/qrtl. Futures closed low at Rs 1512.3/qrtl, marginally above the previous closing levels.

PRICE DRIVERS:

1. Steady to weak sentiments for soymeal and soy oil
2. Appreciating Rupee allowing more imports of oils
3. Good corn planting progress in US.
4. Soy oil competitively advantageous over palm oil
5. Arrivals were negligible in domestic market.

WEATHER:

Weather is of little concern during lean period.

TECHNICALS: -

Candlestick has formed inverted hammer like pattern signifying immediate support at tip of lower shadow or bullish reversal at lower levels. Prices closed well below both EMA's. MACD has entered into negative territory and stochastic has fallen into oversold regions, both indicate decline in positive momentum. RSI has declined further indicating corrections lower. Both Volumes and Open Interest declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	1490	1494	1512.30	1518	1524

Trade Recommendation:

Sell NCDEX May Soybean contract below 1508 with target T1 at 1498. Put SL at 1514.

SPOT MARKET PRICES: -

Markets	Market	26.04.07	25.04.07	Change	Arrivals (Bags)
Indore	Plant	1530-1560	1530-1550	+10	20,000
Indore	Mandi	1580-1500	1490-1500	0	
Maharashtra	Plant	1580	1580-1590	-10	10,000
Maharashtra	Mandi	1520-1550	1550-1560	-10	
Kota	Plant	1510-1520	1530-1540	-20	2,000
Kota	Mandi	1470-1480	1510-1520	-40	

MUSTARD

SPOT MARKETS:

The daily average arrivals for this week stood around 2.2 lakh bags and are likely to taper May onwards. Daily arrivals dipped to 2 lakh bags on Thursday, a decline of 50,000 bags over previous day's arrivals. Demand stood steady at previous levels. Resellers quoted higher prices of seeds on account of firm seed sentiments in Hapur, Sirsa and Delhi. The mustard complex seemed to have tracked initial firmness in soy complex. Amidst slow procurement drive of NAFED and softening of edible oil prices by Rs 1 per Kg, the firmness in seeds is likely to sustain for short duration before shipments of edible oils touch the Indian shores during second half of May.

FUTURES MARKET: -

The NCDEX May contract traded sideways recovering previous loss amidst firm sentiments for mustard seed across domestic exchanges. It opened at Rs 404.9/20 Kg against previous closing of Rs 403.25/20 Kg. Futures closed low at the previous closing levels.

PRICE DRIVERS:

1. Resellers quoted higher rates for seeds.
2. Arrivals declined on Thursday.
3. Steady to weak sentiments for mustard expeller oil
4. Slow procurement drive of NAFED.
5. Tight stock position.

WEATHER:

Rains thunderstorm expected within 48 hrs over Rajasthan, Haryana and Western UP. Impact on seeds unlikely as harvesting is almost complete.

TECHNICALS: -

Prices show tentativeness at higher levels. Prices closed well below both EMA's. MACD has entered into negative territory and stochastic is hovering in oversold region indicating decline in positive momentum. RSI has moved still lower. Prices may rebound at lower levels. Volumes declined and Open Interest stood at previous levels.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	388	393	403.25	406	409

Trade Recommendation:

Buy NCDEX Mustard May contract below 398 with target T1 at 402. Put SL at 396.

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

Markets	26.04.07	25.04.07	Change	Arrivals (Bags)
Jaipur (C)	2000	1975-1980	+20	-
Alwar(C)	1950	1925-1930	+20	8,000
Delhi(C)	1970-1975	1950	+25	4000
Agra(C)/Katchi Ghani	2150/4900	2150/4950	0	-
Sri Ganganagar (NC)	1810	1755-1760	+50	3000
Kota (NC)	1860-1880	1840	+40	25,000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Rates for nuts and oil softened on 4th consecutive day. Rates for different qualities of nuts across different centres in the states were reported in a range of Rs 410 to 514/20 Kg for different qualities of nuts. Rates for groundnut oil varied from Rs 678 per 10 Kg. **Prices of nuts and groundnut oil softened on account of fresh selling of groundnut oil by stockists in wholesale markets and limited offtake by millers amidst appreciating Rupees in domestic markets.** 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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