

OILSEED DAILY

SOYBEAN

25th April 2007

SPOT MARKETS:

The daily arrivals stood at previous levels. Rates for beans softened at plants as they have reduced their offtake on account of continuing weakness in soymeal sentiments in domestic and overseas market. Weak soy oil sentiments too couldn't support prices of beans to large extent. Rates for soybean in Maharashtra still holds firm on account of decline in private inventories. At CBOT, long liquidation selling in oil and soybeans pressured soy complex to settle lower. Weakness in corn dragged the soybean low, however, firm energy market could not help soy oil bounce up. Views of corn eating into soybean acreage fuelled early firmness in soybeans but couldn't sustain initial gains. But as per the crop progress report of USDA, last week's corn-planting progress was slated at 4%, which is now expected to be around 17%, clearly indicating good planting progress amidst favourable weather forecasted for corn. The weekly export inspections came down to 8.53 million bushels against expectations of 10 to 15 million bushels, which clearly suggests that exports of beans are facing stiff competition from South American beans. Sentiments for soybean in overseas are likely to hold firm in near to medium term period.

FUTURES MARKET: -

The most active May contract of soybeans at NCDEX traded weak amidst predominant selling interest and weak soy futures at CBOT. The futures opened up at Rs 1536.9/qlt against previous close of Rs 1535.1/qlt. Futures closed low at Rs 1523.9/qlt, well below the previous closing levels.

PRICE DRIVERS:

1. Steady sentiments for soymeal.
2. Steady to weak sentiments for soy oil in spot market.
3. Good corn planting progress in US.
4. Tapering exports of soybean in US.
5. Arrivals were negligible in domestic market.

WEATHER:

Weather is of little concern during lean period.

TECHNICALS: -

Prices of futures continued to dip further. 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. Prices may rebound at lower levels. Prices may find some support at 1500 levels. Volumes increased and Open Interest declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	1492	1500	1523.90	1526	1532

Trade Recommendation:

Sell NCDEX May Soybean contract below 1519 with target T1 at 1514 and T2 at 1505. Put SL at 1526.

SPOT MARKET PRICES: -

Markets	Market	24.04.07	23.04.07	Change	Arrivals (Bags)
Indore	Plant	1550-1560	1550-1560	0	20,000-25,000
Indore	Mandi	1510-1510	1480-1510	0	
Maharashtra	Plant	1620	1600-1610	+10	8000-10,000
Maharashtra	Mandi	1580-1600	1540-1580	+20	
Kota	Plant	1530-1540	1550	-10	4,000
Kota	Mandi	1490-1510	1520	-10	

MUSTARD

SPOT MARKETS:

Arrivals stood at previous levels, around 2.5 lakh bags arrived on Tuesday. Rates of conditional seeds softened again on second consecutive days whereas the rates for non-conditional seeds stood range bound except for slight firmness in Kota region. Stockists are believed to be releasing oil stocks on account of lower offtake by millers and bright chances of imported oils being consumed domestically thereby softening the prices of expeller oil in major spot markets. As per official sources, NAFED is commercially buying seeds across regions in Rajasthan, but stocks procured were reported to be around 22,000 to 22,500 MT only. The cooperative is purchasing seeds slightly over slated MSP. No significant development was reported about day-to-day trading in mustard complex.

FUTURES MARKET: -

The NCDEX May contract traded on weaker side tracking soybean oil and bearish cues from domestic exchange for mustard. It opened at Rs 410.2/20 Kg against previous closing of Rs 410.25/20 Kg. Futures closed low at Rs 407.5/20 Kg well below the previous closing levels.

PRICE DRIVERS:

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

WEATHER:

Dry weather prospects for the days to come.

TECHNICALS: -

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



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	395	398	407.5	412	415

Trade Recommendation:

Sell NCDEX Mustard May contract below 408 with target T1 at 406 and T2 at 401. Put SL at 410.

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

Markets	24.04.07	23.04.07	Change	Arrivals (Bags)
Jaipur (C)	1990	2010-2015	-25	-
Alwar(C)	1935-1940	1960-1970	-30	10,000
Delhi(C)	1960	1980	-20	5000
Agra(C)/Katchi Ghani	2150/4950	2150/4950	0	-
Sri Ganganagar (NC)	1765-1770	1760-1770	0	5000
Kota (NC)	1820-1860	1840	+20	25,000-30,000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

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 683- 684 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.** 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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