

## OILSEED DAILY

10<sup>th</sup> April 2007

### SOYBEAN

#### SPOT MARKETS:

Spot market showed mixed sentiments. Arrivals for beans improved considerably on Monday on account of slightly improved sentiments for soybean oil at the back of firm palm oil futures at BMD. On the contrary, sentiments for soymeal stood weak amidst lack of overseas market direction and sluggish trading at ports. As per market observers, either of meal or oil has to be firm to provide underlying support to prices for soybean prices to rule firm during lean period. The prices of beans are likely to stabilize in near term amidst good demand from feed industry.

#### FUTURES MARKET: -

The most active May contract of soybeans at NCDEX opened at Rs 1573.10/qttl against previous close of Rs 1578.25/qttl. Weak soymeal and improved soybean oil sentiments led futures close indecisive at Rs 1572/qttl.

#### PRICE DRIVERS:

1. Steady to weak soymeal rates in domestic market.
2. Steady to firm sentiments for soy oil in domestic market.
3. Gradual decline in inventories of soybeans at processors end.
- 4.

#### WEATHER:

Weather is of little concern during lean period.

#### TECHNICALS: -

Candlestick shows weak market sentiments. Prices couldn't manage to recover previous loss and closed below the 9 day EMA indicating short-term weakness. MACD and Stochastic have moved down, indicating further technical corrections and decline in positive sentiments. Both Volumes and Open Interest declined.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	1560	1564	1572	1581	1585

#### Trade Recommendation:

**Sell** NCDEX May Soybean contract below 1574 with target T1 at 1567. Put SL at 1577.

#### SPOT MARKET PRICES: -

Markets	Market	09.04.07	07.04.07	Change	Arrivals (Bags)
Indore	Plant	1565-1575	1570-1580	-5	30,000 in MP
Indore	Mandi	1510-1560	1520-1540	+20	
Maharashtra	Plant	1665-1670	1675	-5	15,000
Maharashtra	Mandi	1570-1620	1610-1640	-20	
Kota	Plant	1585	1570-1580	+5	9000 in Rajasthan
Kota	Mandi	1500-1520	1520-1550	-30	

## MUSTARD

### SPOT MARKETS:

Spot markets reflected mixed sentiments. Arrivals on Monday stood at around 3.5 lakh bags, marginally ahead of 50,000 bags over Saturday [Last Week]. Rates for mustard seeds have softened considerably during last weekend and seem to have followed through the weakness on Monday. However, demand for expeller oil improved during second half of trading on account of strength from Sirsa and Hapur exchange. The demand for expeller oil is believed to be picking up from regions of Jharkhand, Bihar and North East Region. Crushing units in Alwar, Bharatpur regions are continuously procuring seeds directly from farmers to meet demand for oil at consumers end. Expeller units were learnt to have disposed off previously stocked expeller oil amidst ample buffer of freshly procured mustard seeds and added to bearish cues during last week.

### FUTURES MARKET: -

The NCDEX May contract opened at Rs 414.95/20 Kg against previous closing of Rs 417.2/20 Kg. Initially it traded weak but good demand for expeller oil during second half of trading led futures close at Rs 416.05/20 Kg slightly above the previous closing levels.

### PRICE DRIVERS:

1. Resellers quoted lower rates for mustard seeds
2. Arrivals have improved.
3. Steady to weak sentiments for mustard expeller oil.
4. Dull procurement drive of NAFED.

### WEATHER:

Isolated rainfall or thunderstorm over Punjab, Haryana, West UP, Vidharba regions, Central MP and Rajasthan regions within 24 hrs.

### TECHNICALS: -

Candlesticks show that prices couldn't recoup previous losses amidst slight tentativeness at lower levels but managed to close near short term EMA's. MACD and Stochastic are moving down indicating decline in positive momentum ahead. Volumes increased and Open Interest declined.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	408	410	416.05	422	427

### Trade Recommendation:

**Buy** NCDEX Mustard May contract below 415 with target T1 at 419. Put SL at 413.

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

Markets	09.04.07	07.04.07	Change	Arrivals (Bags)
Jalpur (C)	2000	1990	+10	-
Alwar(C)	1910	1925-1930	-20	10,000
Delhi(C)	1970	2020	-50	8000
Agra(C)/Katchi Ghani	2100/4890	2050/4850	+50	-
Sri Ganganagar (NC)	1750	1745-1750	0	15,000
Kota (NC)	1800	1800-1810	-10	30,000 -35,000

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET: -

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. Demand for oil is said to be subdued. Arrivals were reported to be around 4000 bags. 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 512/20 Kg. Rates for groundnut oil varied from Rs 665 to 666 per 10 Kg. Rates stood at previous levels.

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