

OILSEED DAILY

SOYBEAN

20th April 2007

SPOT MARKETS:

Daily arrivals of soybean declined on Thursday [35,000 bags] on account of interplay of weak soymeal and steady to slightly firm soybean oil sentiments in domestic markets. Rates for beans softened across spot markets. Offtake by millers is said to be dull despite recovery of soymeal margins at processors end. Soymeal traded weak tracking bearish cues from soymeal at CBOT. Avian Flu has been reported in Bangladesh, Pakistan and parts of South East Asia, as per research studies it is now predicted that it's moving west from Asia. Since neighboring countries like China, Bangladesh, Pakistan and Sri Lanka happen to be important importing countries for Indian soymeal the threat of Flu is likely to taper exports of meal in near to medium term. A report of flood like conditions over soybean-grown regions in Argentina [Santa Fe province] is likely to decline overall production estimate from 45.5 MMT to around 44 MMT. The very observation may provide some support to soybean and meal sentiments in near term.

FUTURES MARKET: -

The most active May contract of soybeans at NCDEX traded firm tracking firmness in palm oil futures at BMD. The futures opened low at Rs 1555/qrtl against previous close of Rs 1560/qrtl. Futures closed up at Rs 1564/qrtl, slightly above the previous closing levels.

PRICE DRIVERS:

1. Weak soymeal sentiments at ports.
2. Firm sentiments for soy oil in domestic market.
3. Harvesting almost complete in Brazil.
4. Arrivals were negligible.
5. Flood like conditions over SF province in Argentina
6. Avian Flu spreading to West from Asia

WEATHER:

Weather is of little concern during lean period.

TECHNICALS: -

Chart pattern shows firmness. Prices managed to recover from the otherwise downtrend and closed below the short term EMA's. MACD is dipping and stochastic has flattened in neutral region. RSI is recovering. Both Volumes and Open Interest declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	1554	1558	1568	1579	1585

Trade Recommendation:

Buy NCDEX May Soybean contract above 1564 with target T1 at 1569 and T2 at 1576. Put SL at 1560.

SPOT MARKET PRICES: -

Markets	Market	19.04.07	18.04.07	Change	Arrivals (Bags)
Indore	Plant	1535-1555	1550-1565	-10	20,000
Indore	Mandi	1480-1510	1490-1520	-10	
Maharashtra	Plant	1620	1620-1640	-20	10,000
Maharashtra	Mandi	1570-1590	1570-1590	0	
Kota	Plant	1535-1550	1555-1560	-10	5,000
Kota	Mandi	1500-1525	1520-1550	-25	

MUSTARD

SPOT MARKETS:

Around 2.5 lakh bags arrived on Thursday. Rates for seeds firmed up across spot markets on Thursday recovering previous weakness observed during initial half of the week. Mustard expeller oil sentiments stood steady to firm. As per trade sources, NAFED has been reported to be procuring seeds in different parts of Rajasthan. In Kota regions, NAFED managed to procure seeds at Rs 1780 to 1800 per qtl [Non-conditional] despite higher ruling prices. Harvesting of seeds is almost complete in MP and Rajasthan, however it's yet to be complete in Haryana regions. Though farmers have hoarded seeds in anticipation of getting better prices but they have to dispose off early, as seeds can't be kept for long in fields as it leads to shattering of grains. Active buying by millers and tight stock position is likely to keep prices of seeds mostly firm in near term unless supply pressure exceeds demand.

FUTURES MARKET: -

The NCDEX May contract traded firm tracking firmness in Sirsa, Hapur and Delhi exchange. It opened low at Rs 417.5/20 Kg against previous closing of Rs 416.95/20 Kg. Futures closed up at Rs 418.9/20 Kg slightly above the previous closing levels.

PRICE DRIVERS:

1. Resellers quoted higher rates for seeds.
2. Arrivals improved marginally.
3. Steady to firm 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: -

Chart pattern shows steady market sentiments. Prices recouped previous loss and closed near 9 day EMA. Both MACD and Stochastic have dipped indicating short-term weakness. However RSI is recovering. Both Volumes and Open Interests have declined.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - May	408	411	418.90	423	425

Trade Recommendation:

Buy NCDEX Mustard May contract above 415 with target T1 at 417 and T2 at 421. Put SL at 412.

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

Markets	19.04.07	18.04.07	Change	Arrivals (Bags)
Jaipur (C)	2010	1985-1990	+20	-
Alwar(C)	1935-1940	1925-1940	0	5,000
Delhi(C)	2005	1990	+15	3000
Agra(C)/Katchi Ghani	2100/4925	2100/4900	0	-
Sri Ganganagar (NC)	1760	1740-1745	+15	5000
Kota (NC)	1770	1740	+30	30,000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Fresh arrivals for groundnut are expected to reach markets by second half of next May. Groundnut oil tracked temporary weakness in edible oil sentiments across domestic market. Rates for oil and nuts softened consecutively on Wednesday. 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 681 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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