

OILSEED DAILY

SOYBEAN

15th May, 2007

SPOT MARKETS:

Edible oil imports are likely during the week as vessels carrying soy and palm oil are en route & would reach shortly at our ports. Huge arrivals, estimated at about 5 lakh tonnes of crude degummed soybean oil - mainly from South America (Argentina) is expected during second half of May. Amidst steady arrivals and imported oil on cards, the prices of soybean firmed up temporarily across plants and softened across mandi's. Mostly bullish palm oil at BMD imparted firmness to soy oil in domestic markets. Tracking bullish cues, resellers quoted higher rates across plants. Export demand for soymeal still remains subdued. The monthly supply demand report for soybean released by USDA has already imparted firmness to US soybean and is likely to gain further on delayed harvest prospects of beans from South America as weather continues to remain abrupt. As per market observers, the Chinese soybean crushers are likely to book lesser soybean cargoes over next few weeks' as prices of soybean in International markets are ruling higher.

FUTURES MARKET: -

The most active June contract of soybeans at NCDEX traded bearish on higher selling interest. The futures opened at Rs 1536 /qtl against previous closing levels of Rs 1533/qtl. Futures closed at Rs 1534/qtl, marginally above the previous closing levels.

PRICE DRIVERS:

1. Steady to weak sentiments for soymeal
2. Edible oils to reach ports shortly.
3. Bullish USDA reports.
4. Steady arrival pressure for beans in domestic markets.
5. Dull trading for soybean in Chinese markets
6. China to import lesser soybeans.

WEATHER:

Weather is of little concern during lean period.

TECHNICALS: -

Prices closed between the 9 /18 days EMA's indicating persistent selling pressure at higher levels. MACD is still hovering in negative territory. Stochastic and RSI are hovering in neutral regions. Both Volumes and Open Interest declined. Trade with caution, as prices are vulnerable to correction lower.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - June	1513	1518	1534	1538	1544

Trade Recommendation:

BUY NCDEX June Soybean contract above 1524 with target T1 at 1530 and T2 at 1535. Put SL at 1521.

SPOT MARKET PRICES: -

Markets	Market	14.05.07	12.05.07	Change	Arrivals (Bags)
Indore	Plant	1550-1560	1550	+10	25,000
Indore	Mandi	1480-1520	1490-1525	-5	
Maharashtra	Plant	1585-1620	1610	+10	10,000-12,000
Maharashtra	Mandi	1530-1540	1540	0	
Kota	Plant	1520-1530	1510-1520	+10	1500-2000
Kota	Mandi	1470-1480	147-1490	-10	

MUSTARD

SPOT MARKETS:

The daily arrivals on Monday stood at 1.35 lakh bags marginally ahead of previous weekend's arrivals of 1.25 lakh bags. Prices of non-conditional seeds couldn't extend gains from previous weekends trading. Mustard seed prices in Ganganagar and Kota regions softened on steady to weak demand for expeller oil. Most of the mills and processing units for mustard seeds are localized in and around Jaipur regions, the dearth of good quality seeds keeps the prices relatively higher than quoted elsewhere. Prices of seeds at Jaipur and Alwar surged up considerably on firm mustard seeds sentiments across domestic exchanges. The cumulative stocks of seeds with NAFED are expected to improve as procurement drive has cached up good pace in Rajasthan. Edible oil imports are likely during the week as vessels carrying soy and palm oil are en route & would reach shortly on our ports, which is likely to pressure prices of domestic edible oil and eventually substitute oil as well.

FUTURES MARKET: -

The NCDEX June contract opened firm but traded weak on sustained selling interest. It opened at Rs 415/20 Kg against previous closing of Rs 413.25/20 Kg. Futures closed lower at previous closing levels of Rs 412.50/20 Kg.

PRICE DRIVERS:

1. Steady to weak sentiments for expeller oil.
2. Arrivals Improved on Monday
3. Imported oils to arrive shortly at ports.
4. Slow procurement drive of NAFED.
5. Tight stock position.

WEATHER:

Dry weather over mustard growing regions.

TECHNICALS: -

Prices couldn't sustain initial gains and closed near the 9 day EMA and below the 18 day EMA. MACD is declining further into negative region. RSI is dipping whereas stochastic shows signs of recovery at lower levels. Volumes declined and Open interest improved marginally. Bulls may face resistance at 415-416 levels. One can buy on dips.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - June	402	405	412.50	414	416

Trade Recommendation:

BUY NCDEX Mustard June contract above 410 with target T1 at 412. Put SL at 408.

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

Markets	14.05.07	12.05.07	Change	Arrivals (Bags)
Jaipur (C)	2005	1990-1995	+10	-
Alwar(C)	1950-1960	1920-1925	+35	8000
Delhi(C)	1955-1960	1960-1965	-5	2500
Agra(C)/Katchi Ghani	2170/4800	2175/4825	-5	-
Sri Ganganagar (NC)	1735-1740	1740-1750	-10	3000
Kota (NC)	1810-1830	1820-1840	-10	26,000- 30,000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Tracking general firmness in edible oil sentiments and bullish reports by USDA on demand and supply estimates for oilseeds, the rates for different qualities of nuts across different centres in the states firmed up on Monday and were quoted in a range of Rs 410 to 517/20 Kg. Rates for groundnut oil was quoted at Rs 690 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.

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