

OILSEED DAILY

SOYBEAN

9th May, 2007

SPOT MARKETS:

Tracking weak soy complex at CBOT, domestic soybean traded mixed with prices firming up marginally in MP at the back of steady arrival pressure. With slight hike in prices of soybean, prices of soymeal at Indore firmed up marginally and stood range bound later. With edible oil imports from Malaysia and South America on cards, market observers state that the volumes of imported oil reaching Indian ports after mid of May would decide for fresh market sentiments. The market would be looking forward for fresh outlook on soy market across globe as well, when USDA would release its World Agricultural Supply and Demand Estimates report due on May 11, 2007. Besides this traders are awaiting for Malaysia palm oil export estimates from cargo surveyors, which is due for release on May 10. Chinese market reopened with dull note after it reopened after a weeklong Labour holiday. Expected purchase of 300 million bushels of U.S. soybeans on May 14 didn't have much impact on the market. Dry weather prospects for corn and soybean in US Midwest may undermine sentiments for US soybeans for the day to come. USDA weekly export inspection report for week ending on May 3, 2007 came below trader's expectations and further added bearishness to soybean complex at CBOT.

FUTURES MARKET: -

The most active June contract of soybeans at NCDEX traded weak on profit booking and higher selling interest. The futures opened low at Rs 1530/qtl against previous close of Rs 1536/qtl. Futures closed low at Rs 1522/qtl, well below the previous closing levels.

PRICE DRIVERS:

1. Steady to weak sentiments for soymeal
2. India to import more edible oils this year
3. Weak soy futures at CBOT.
4. Steady arrival pressure for beans in domestic markets.
5. Dull trading for soybean in Chinese markets
6. Dry spell for corn and soybean planting in US.

WEATHER:

Weather is of little concern during lean period.

TECHNICALS: -

Candlestick shows bearishness with slight tentativeness at higher levels. Prices closed well below 9/18 day EMA's. MACD has made a bearish cross over and is moving down into negative territory. Stochastic has plunged down. RSI has moved down further below the centerline indicating gain in bearish momentum. Volumes declined and Open Interest increased marginally. Prices may find some support at 1509-1510 levels unless prices breakdown below this level.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - June	1494	1502	1522	1528	1536

Trade Recommendation:

Sell NCDEX June Soybean contract below 1518 with target T1 at 1508. Put SL at 1523.

SPOT MARKET PRICES: -

Markets	Market	08.05.07	07.05.07	Change	Arrivals (Bags)
Indore	Plant	1560-1565	1550-1560	+5	15,000
Indore	Mandi	1490-1510	1480-1500	+10	
Maharashtra	Plant	1620	1630-1640	-20	10,000
Maharashtra	Mandi	1550	1540-1550	0	
Kota	Plant	1540	1500-1540	0	2,000
Kota	Mandi	1490-1500	1480-1490	+10	

MUSTARD

SPOT MARKETS:

Trade activity in UP remained slightly dull for final phase of polling for assembly elections. Mustard complex traded steady to weak on Tuesday. Mustard seeds firmed up marginally at domestic exchanges tracking general firmness in edible oil across domestic markets, however further gains were limited as spot market prices of expeller oil remained subdued on Tuesday. Prices of Condition seeds softened while Non-Condition stood range bound amidst slight hike in daily arrivals from previous day's 1.25 lakh bags to 1.5 lakh bags on Tuesday. Seeds with good oil content [42%] fetch better prices than those with lesser oil content. Arrivals improved in Kota regions. As per official sources, NAFED have had procured around 48,650 MT of mustard seeds as on 1st of May which still lags behind the earlier set targets of procuring around 60,000 MT of seeds in phases. As per market observers, the sentiments for mustard complex during current month would rely mostly on volumes of imported oil reaching the ports during second half of May.

FUTURES MARKET: -

The NCDEX June contract traded sideways amidst indecisiveness over price direction on higher side. It opened at Rs 411.2/20 Kg against previous closing of Rs 411.3/20 Kg. Futures closed at Rs 411/20 Kg, marginally below the previous closing levels.

PRICE DRIVERS:

1. Resellers quoted lower rates for Condition seeds.
2. Arrivals stood at previous levels.
3. Steady to weak demand for mustard expeller oil.
4. Slow procurement drive of NAFED.
5. Tight stock position.

WEATHER:

TECHNICALS: -

Candlestick shows Doji pattern with failed rally. Prices closed below 9/18 day EMA. MACD is declining further into negative region. Stochastic has made a bearish cross over and moving down. RSI too is declining indicating decline in positive momentum. Volumes increased and open interest declined marginally. A break out below 411-412 levels would eventually drag down the prices further.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - June	393	399	411	414	418

Trade Recommendation:

Sell NCDEX Mustard June contract below 409 with target T1 at 403. Put SL at 412.

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

Markets	08.05.07	07.05.07	Change	Arrivals (Bags)
Jaipur (C)	1985	1990-1995	-10	-
Alwar(C)	1900-1910	1920-1925	-15	5,000
Delhi(C)	1960	1965	-5	3000
Agra(C)/Katchi Ghani	2100/4825	2100/4850	0	-
Sri Ganganagar (NC)	1760	1755-1760	0	5000
Kota (NC)	1780	1760-1780	0	30,000-35,000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

According to the third advance estimates of the Central government, the output of groundnut during the Kharif and the Rabi seasons is estimated to decline by 37.66 per cent to 5 million MT this year, compared with 8 million MT in the year-ago period. Rates for nuts and oil stood softened on Monday. **Rates for different qualities of nuts across different centres in the states firmed up marginally tracking temporary firmness in edible oil sentiments and were quoted in a range of Rs 410 to 508/20 Kg for different qualities of nuts. Rates for groundnut oil was quoted at Rs 672 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. Russia has finally banned import of groundnut from India on account of defying quarantine restrictions, which may undermine export sentiments for nuts in short term. General weakness in edible oil sentiments in domestic markets had a spill over affect on groundnut and oil trading

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