

Soybean

Domestic Market Commentary:

Soybean (NCDEX April contract) futures moved in a range of Rs 2031.00 to 2095.50 a quintal in the last week. It has improved slightly as compared to the previous week on account of short covering only after continuous fall during the last 3 months. April Contract made a high of Rs 2570 a quintal on November 26, 2009 and declined sharply to touch a low of Rs 2011 a quintal on February 26, 2010. The fall of about 22% in the prices was witnessed due to poor export demand of domestic soy meal and higher global oilseeds production estimates for this year. This factor added to bearish market sentiments. As per the Solvent Extractors' Association of India, India's oil-meal exports in the first 11 months of the fiscal year (April 2009 - February 2010) declined to 30.00 lakh tonnes from 50.84 lakh tonnes a year earlier (down by 41%). Higher import of edible oil also favoured to the bears. The Solvent Extractors' Association of India has compiled the import data of vegetable oils (edible oils) for the first 3 month of edible oil marketing year (November 2009 - January 2010). It was reported at 23.02 lakh tonnes as compared to 20.95 lakh tonnes during same period last year (up by 10%).

International Market:

A Chinese official said on March 05, 2010, that China expects to decrease soybean acreage again this year and in the coming years China may import more soybeans to meet their domestic requirement. The Buenos Aires Grains Exchange left its estimate of the Argentine soybean crop unchanged at 52 million tonnes this week. The USDA will release their supply/demand report on March 10, 2010 and traders are expecting lower estimate

of 2009/10 ending stocks to below 200 million bushels near 195 million in that report. Ending stocks lowered to 210 million bushels in February from 245 the prior month. In Census Bureau soybean oil stocks for January came at 3.224 billion pounds, up from 3.110 at the end of December. The USDA's weekly export sales released on March 04, 2010, revealed that export data was about in line with trade expectations. China cancelled 141,100 tonnes soybean import order from USA. Net weekly export sales for soybeans were totalled at 370,400 tonnes. As of February 25, cumulative soybean sales stand at 94.2% of the USDA forecast for 2009/2010 versus a 5 year average of 81.7%. Net meal sales were totalled at 88,900 tonnes. Cumulative meal sales stand at 82.7% of the USDA forecast for 2009/2010 versus a 5 year average of 57.1%. Net oil sales were totalled at 15,900 tonnes. Cumulative soybean oil sales stand at 74.9% of the USDA forecast for 2009/2010 versus a 5 year average of 47.3%.

Outlook:

In the coming week, soybean prices are expected to trade slightly higher on account of short covering after a continuous fall during the last 3 months. NCDEX April contract shall find a strong support at 2010/1980 levels and resistance at 2100/2140 levels for the coming week.

Technical Indicators:

On daily charts, prices closed below its 10 Day EMA (2059.40) and its 20 Day EMA (2071.60). Daily MACD-Histogram is in positive territory and 14-Day RSI is at 41.74, which is in neutral zone.

NCDEX - April 2010 Contract



Particulars	April 2010 Contract (Rs/100 Kg)	
Resistance-2	2140.00	
Resistance-1	2100.00	
Close	2054.00	
Support-1	2010.00	
Support-2	1980.00	
Prices at Major Mandis		
Centers	Prices (Rs/ 100 Kg)	
Indore (excluding VAT and mandi tax)	2000-2030	
Kota (excluding VAT and mandi tax)	2010-2040	

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Bullion

MCX April Gold

Last week, Gold prices opened the week at 16820 initially fell lower, but found strong support at 16640 levels. Later prices rallied sharply higher made a high of 17095 and finally ended the week with a loss of Rs.113 to close at 16902.

Trend : Bullish

Trading Levels:

This week market is expected to find very good support at 16740-16710 levels. And strong support is seen at 16560-16530 levels.

Trading below 16520 would lead to lower prices initially towards 16338 then 16220 and then finally towards the major support at 16150.

Resistance is observed in the range of 16990-17015 and strong resistance is seen at 17060-17080.

Trading above 17085 would lead to higher prices initially towards 17185 then 17358 and then finally towards the major resistance at 17500.

Recommendation: Buy MCX Gold April in the range of 16760-16730 levels with strict stop-loss below 16600 Targeting 17010 initially and then 17080.

MCX March Silver

Last week, Silver prices opened the week at 25560 initially moved sharply higher, but found strong resistance at 26340 levels. Later prices fell sharply lower breaking both the supports, made a low of 23610 and finally ended the week with a huge loss of Rs.1176 to close at 24324

Trend : Bullish

Trading Levels:

This week market is expected to find good support at 26750-26710 levels although it can find initial support at 26820-26800 levels and strong support is seen at 26450-26410 levels.

Trading below 26400 would lead to lower prices initially towards 26045 then 25738 and then finally towards the major support at 25400 levels.

Resistance is observed in the range of 27260-27300 and strong resistance is seen at 27580-27620.

Trading above 27630 would lead to higher prices initially towards 27787 then 28036 and then finally towards 28300.

Recommendation: Neutral

MCX April Copper

Last week, Copper prices opened the week with a gap up at 344.10 initially fell lower but found support just above the previous week closing price at 335.10 levels. Later prices rallied sharply higher, made a high of 349.45 and finally ended the week with a huge gain of Rs.9.95 to close at 344.45.

Trend : Bullish

Trading Levels:

This week market is expected to find good support in the range of 342-340.50 levels. And strong support is seen at 337-335 levels.

Trading below 334.50 would lead to lower prices initially towards 331.50 then 325 and then finally towards 321 levels.

Resistance is observed in the range of 350-352 levels and strong resistance is seen at 355-357 levels.

Trading above 357 would lead to higher prices initially towards 361 then 365 and then finally towards the major resistance at 370.80 levels.

Recommendation: Buy MCX Copper April in the range of 342-341 with strict stop-loss below 334 Targeting initially 354 levels and then 361.

MCX March Crude

Last week, Crude prices opened the week with a gap up at 3701 initially fell sharply lower and as expected found support at 3599 levels. Later prices rallied sharply higher, made a high of 3743 and finally ended the week with gain of Rs.55 to close at 3724.

Trend : Bullish

Trading Levels:

This week market is expected to find good support in the range of 3710-3700 levels. And strong support is seen at 3665-3650 levels.

Trading below 3650 would lead to lower prices initially towards 3620 then 3580 and finally towards the major support at 3516.

Resistance is observed in the range of 3770-3780 levels and strong resistance is seen at 3830-3850.

Trading above 3850 would lead to higher prices initially towards 3890 then 3927 and then finally towards 3975.

Recommendation: Buy MCX Crude oil March in the range of 3710-3700 with a strict stop-loss below 3650 Targeting initially 3770 then 3830.

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