



Good buying in mustard

Mustard: Good off take

The prices of mustard seed in the spot and futures markets were up in line with the firm soy oil prices. Fears of a fall in India's *rabi* mustard production due to the low acreage under cultivation is also keeping the buyers interested in mustard. Due to the late sowing, the oil content of the seeds could be lower than usual. In the spot markets, around 8,000-12,000 bags of mustard seeds arrived in the wholesale markets of Rajasthan.

Soybean: Positive bias

In spite of reports of the bird flu outbreak in some Far Eastern countries, the local soybean rates firmed up on account of the strong soy oil prices and the off take by extraction units. The strength in the overseas market also supported the market.

Soy oil: Consolidation

Soy oil traded in positive territory yesterday as crude palm oil futures in Malaysia moved into the green after initial hiccups. Firm soybean prices in the local markets on good demand from the extractors also pushed up the rates of soy oil. Some market participants said that the good demand for edible oils from the retailers ahead of the marriage season also kept the sentiment positive in the futures. Meanwhile, the benchmark April crude palm oil futures on the Bursa Malaysia Derivatives closed at 1,947 ringgits per tonne (Rs24,610/tonne), up 23 ringgits from its previous close.

Wheat: Pressure at higher levels

The prices of wheat have been witnessing some selling pressure at higher levels due to the upcoming arrival season. The market players believe that the amount of imported wheat with the millers in south India could be in the region of 4 lakh tonne. The arrivals in Gujarat are expected to start by the end of the month.

Gram (chana): Gradual decline in prices

February contracts of chana ended down on the National Commodity and Derivatives Exchange in anticipation of the arrivals rising in the next 4-6 weeks. In case of chana, the major trend is on the softer side due to the upcoming arrivals and on reports of a good *rabi* crop. However, the prices of January futures were up on short covering, as the new crop may not be valid for delivery on the futures platform while the stocks of the old crop are limited. Chana stocks in the NCDEX warehouses are a little over 1,700 tonne compared with an open interest of 30,500 tonne in the January contracts.

Copper: Supported by fall in stocks

A fall of 2,550 tonne in the LME stocks halted the slide of the red metal and lifted it from a low of \$5,470 per tonne to close at \$5715. The two way stock flow continued at the LME warehouses. However, this time the Asian warehouses recorded a higher net outflow than the net inflow to European and US warehouses. The red metal performed well despite the steep drop in the crude oil prices, a fall in the bullion prices and weaker-than-expected Empire State Manufacturing Survey data. However, the market sentiments remain weak and the LME stocks and the US data would be closely watched for more clues regarding the direction of copper.

Zinc and nickel: Supply concerns help nickel

Zinc finished lower yesterday as the LME warehouses recorded an increase of 1,225 tonne. This time also the build-up was seen at the Singapore warehouse. The metal is likely to track copper today. Supply concerns are keeping nickel buoyant and if copper remains stable, the metal should move higher.

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