



Mustard firm

Mustard: Firm, tracking other oilseeds

Mustard prices have also been on an uptrend, tracking the other oilseeds. The prices are also expected to remain firm in the next couple of days on talks of a likely bonus on minimum support price of Rs1,715 per 100kg to be declared by the union government.

Today, the arrivals in the spot market of Rajasthan were slightly lower at 280,000-320,000 bags (1 bag = 100kg).

Soy bean: Trend is up

Spot prices of soy bean are likely to stay firm in the coming days as most of the stock has arrived in the market and the demand from the extractors is robust. Today, the arrivals in Madhya Pradesh, the major market, were around 20,000 bags (1 bag = 90kg) compared to the last week's average daily inflow of 25,000-30,000 bags.

Soy oil: Range-bound

The movement in palm oil prices would give direction to the local soy oil prices. The higher crushing of soy beans due to good meal prices has increased the supply of oil but with the bean stocks dwindling, oil prices are expected to remain in a range. The demand in the spot markets too has been good in recent days.

Chana: Arrivals erratic

Chana supplies have been hit in recent days and are expected to remain low in the coming days too. The most active May contract registered intra-day high and low of Rs2,342 and Rs2,294 per 100kg, before closing at Rs2,296, down Rs19 from Monday. The demand from stockists and millers, on the other hand, is quite firm after talks of crop loss in Rajasthan, and Madhya Pradesh, where the commodity is being harvested at present.

Chili: Demand matching supplies

Good demand from neighbouring countries is keeping prices on the higher side. Despite arrivals of 100,000 bags (1 bag = 75kg) in Guntur, the major market, the spot prices remained firm at Rs4,600-4,700 per 100kg. The current export demand for the crop is neutralising the prospects of higher crop output this season.

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Guar seed: Demand strong in spot, April target Rs2,050

The guar supplies are expected to slow down in the coming weeks as stockists are refusing to offload at these prices. The spot prices were, therefore, steady in spite of some profit booking in futures yesterday. Yesterday, guar seed prices in Jodhpur were Rs1,940-1,975 per 100kg and guar gum was offered at Rs4,800-4,825 per 100kg, down Rs25.

Precious metals: Lost for direction

Was it the effect of Ramnavami? Or was it something else? Whatever it was, the effect on the precious metals market was substantial. It seemed the entire global gold and silver market was on a holiday. Not surprisingly, gold moved within a two-dollar band of \$664 an ounce. Even the New York session failed to excite its interest.

Spot gold remained placid throughout the day, while silver showed some urgency to make a breakthrough in either direction. Moving from a low of \$13.14 to a high of \$13.39, it ended the day at \$13.20, the level at which it is trading right now (8.30am).

In India on MCX, Gold April saw a high of Rs9,364 and a low of Rs9,323 before ending at Rs9,332, Rs27 less compared to the previous close.

Silver May moved from Rs19,684 to Rs19,440 before closing for the day at Rs19,499 per kilogram, thus losing Rs137 over the previous close.

The story of the day was clearly the smart move by crude. The oil rose for a seventh day in New York on speculation that a confrontation was likely in the Persian Gulf between the US or British forces and Iran, which may increase the risk of disruption to supplies from the Middle East. Almost a quarter of the world's oil flows through the Strait of Hormuz, a narrow waterway between Iran and Oman at the mouth of the Persian Gulf. The surrounding region, the Middle East, is responsible for almost a third of the world's oil output. Iran itself has the second-biggest proved oil reserves.

The standoff is showing no signs of abatement. Yesterday the US Navy started an exercise in the Gulf involving 15 warships and more than 100 planes. The maneuvers are the largest show of force in the Gulf since the 2003 invasion of

Iraq and are aimed at chickening Iranian leaders out. However if the history is any guide, it can be claimed that the leaders of the oil state are made of stellar nerves and are not likely to give in to American bullying.

Clearly, the gold market is going to read every bit of news more carefully. Meanwhile today the market is waiting with bated breath about the Federal Reserve Chairman Ben Bernanke's schedule to testify on the nation's economic outlook before the Joint Economic Committee on Capitol Hill. Though there is nothing much likely to come out of it,

for every party member is well aware of what is going around them, many people try to do a bit of reading between the lines of every word Mr Bernanke utters.

At the same time the stock markets have taken a beating. With the Dow down almost 70 points, the market is likely to be lost for direction. Gold April may encounter resistances at Rs9,389 and Rs9,457 while it may have supports at Rs9,315 and Rs9,246. Silver May might feel the resistances at Rs19,597 and Rs19,777 while it may find supports at Rs19,348 and Rs19,203.

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