

## OILSEED

27th December, 2005

- NCDEX Soyabean January moved up marginally.

## TECHNICAL ANALYSIS

### Commodity: Soybean

**Indicators-** The MACD, stochastics as well as the moving average patterns indicate a continuation of the current bullish trend..

**Market advice:** Since the domestic markets were not checked by the CBOT which has been closed for 3 days, the recent technical indicators are not reliable. Check with the CBOT closing data before entering new trades. If CBOT closes down, NCDEX prices are likely to be weak. Current indications are that CBOT will close weaker.

**NCDEX Jan 06 contract:** Try to enter long position at 1177-1179 with a target of 1192-1194.00 and a strict stop loss of 1173.00.

### NCDEX JANUARY CONTRACT

SOYBEAN\_JAN\_NCDEX\_06 (1,190.0, 1,195.0, 1,184.0, 1,188.5)



### Soybean Future Closing price

Contract	26.12.05	27.12.05	Chg
January	1186.00	1188.50	+2.50

### Expected Support and Resistance Levels

Contract	Supports	Resistances
January	1181.00	1196.00
	1170.00	1203.00

### Commodity: RAPESEED

**Indicators-** Stochastic oscillator has entered oversold region and continues to fall indicating short term weakness. MACD is showing signs of tapering off from its rising trend. Prices closed right at the 9-day EMA and is about 1 rupee above the 18-day EMA. Both these EMAs will act as support in the 332.3-332.8 region. Overall, though technical indicators are slightly bearish, the prices appear to be bottoming out and may rise in a day or two.

**Market advice-** Prices may be weak in the beginning and are likely to improve later in the day.

**NCDEX Jan 06 contract:** Buy near 332.30 with a target of 333.90 and a strict stop loss of 313.80

### NCDEX JANUARY CONTRACT

MUSTARDSEED\_JAN\_NCDEX\_06 (332.70, 333.25, 332.00, 332.90)



### Mustard Future Closing price

Contract	26.12.05	27.12.05	Chg
January	332.95	332.90	-0.05

### Expected Support and Resistance Levels

Contract	Supports	Resistances
January	332.10	333.70
	331.00	334.60

## DOMESTIC MARKET COMMENTARY

### Soybean:

Soyabean arrivals continued to decline at the major markets. Arrivals were 125000 bags in MP, and about 70,000 bags in Maharashtra and Rajasthan combined. Gujarat reported more or less flat to lower arrivals of 20-25000 bags. As farmers continue to run out of stock, the arrivals are expected to witness further declines. The demand for DOC continues to remain good in both India and abroad which will encourage more crushing. DOC is selling at Rs. 9250 per ton at Kandla and Mumbai ports. Traders expect further bullishness in DOC and have reportedly been asking for Rs. 9300 per ton. With gradually declining arrivals and steady to strong demand, Soyabean prices are expected to remain firm.

### Rapeseed/Mustard:

Mustard Oil prices continue to slide due to low demand and competition from Soyoil. Today, in Alwar, Rajasthan, Kachchi Ghani was traded at around Rs. 3775 per qtl. NAFED has reportedly hired two mills in Haryana for crushing their mustard seed at the rate of Rs. 1325 per ton. NAFED reportedly hopes to sell oil at Rs.3800 per qtl but is not finding many buyers at this rate. NAFED is selling Mustard seed at Rs.1600/qrtl to traders. Traders expect NAFED will not be profitable in its crushing venture due to Rs. 100/qrtl transportation and handling costs as well as procurement costs around Rs. 1700/qrtl. The next crop is expected in the first week of February. Due to soft demand, competition from other oils (particularly Soyoil), NAFED activity and with the new crop just a month away, prices are not expected to have much upside. Any upmove in prices of Mustard Seed will make competing oils like Soya oil more viable and check further increases in prices.

### Status of Price & Supply of the New Crop (Dec27, 05)

Markets	Prices (Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1715-20	20000
Alwar(C)	1635-40	1000
Delhi(C)	1725	1500
Agra(C) katchi ghani	1790	3850
Sri Ganganagar (NC)	1460-1465	100
Kota (NC)	1490-1500	1200

### Vayda Quotes

### Mustard futures as on 27th December 2005

### Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.20
Malaysia	Ringgit	11.95
European Union	Euro	53.50
United Kingdom	GBP	78.21

Cent re	Mo nth s	Prev. Settle	Open	High	Low	Cha nge	Close
Delhi	Feb	326.8	326.6	327.3	326.3	0.5	327.3
Hapu r	Feb	336.6	336.6	337.2	336.1	0.5	337.1
Hisar	Jan	324.5	324.5	324.6	324.0	0.0	324.5

### Groundnut

Groundnut seed prices in Rajkot Mandi remained more or less steady at Rs. 343 per 20 Kg, while Groundnut oil traded slightly lower at Rs.455-460 / 20kg. Gujarat saw arrivals of 1-1.1 lakh bags (35kg each) today. Arrivals will continue to witness declining trend as farmers' stock starts depleting. Traders report that sowing for the new crop (summer crop) is starting and demand for seed for sowing is very good. This implies that the summer crop will be good. Demand for groundnut oil at both, domestic and international markets is steady and prices are likely to remain flat to slightly higher over the coming days.

### Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kgs)	
	26.12.05	27.12.05
Gr Kernel	2210*	2200*
Bolds 60/70	2670*	2670*
*Javas 60/70	2925*	2925*
Javas 70/80	2840*	2840*
Javas 80/90	2760*	2740*

\*Plus Tax / Against Form, X CST Paid, @ VAT Exempted

### CBOT

CBOT Soybean Futures as on 23.12.05 (Closed on Monday due to Christmas)

Mo nth s	Previous Settle	Open	High	Low	Ch ang e	Close
Jan 05	612.6	610.2	621.0	609.0	0.4	613.0
Mar 05	625.2	621.4	625.6	621.2	-0.2	625.0

CBOT remains closed on Saturday & Sunday

Japan	100 Yen	38.55
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