

## OILSEED

12<sup>th</sup> January, 2006

- Downtrend in Soybean Continues

### TECHNICAL ANALYSIS

#### Commodity: SOYBEAN

##### Indicators-

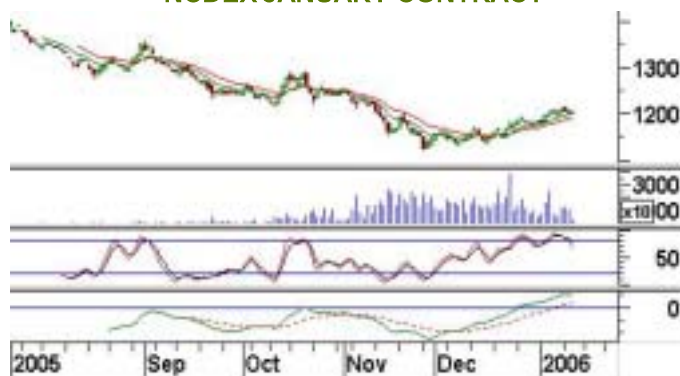
1. Prices closed far above of both the 9-days EMA(1200) and 18-days EMA(1190),also increasing gap between 9-days EMA and 18-days EMA indicate bullishness in near term
2. Stochastic indicator moving downwards towards the neutral zone.
3. MACD has moved downwards in the neutral zone confirming strength in the current pattern.

**Market advice:** JAN NCDEX short near 1200 with target 1194, put stop-loss at 1202.

##### Soybean Future Closing price

Contract	11.01.06	10.01.06	Chg
January	1200.25	1206	-5.75

##### NCDEX JANUARY CONTRACT



##### Expected Support and Resistance Levels

Contract	Supports	Resistances
January	1198.50	1203.50
January	1196.75	1206.75

#### Commodity: RAPESEED

##### Indicators-

1. Candlestick forming a Marubozu reflecting the bearish continuation pattern.
2. Prices closed above the both the 9-day EMA and the 18-day EMA indicating bullish trend.
3. Stochastic moving downwards and moving towards the neutral zone reflecting the bearish pattern.

**Market advice:** JAN NCDEX sell near 336.20 with target 335.20, put stop-loss at 337.

##### Mustard Future Closing price

Contract	11.01.06	10.01.06	Chg
January	336.20	339.50	-3.30

##### NCDEX JANUARY CONTRACT



##### Expected Support and Resistance Levels

Contract	Supports	Resistances
January	335.10	338.4
January	334	340.6

## DOMESTIC MARKET COMMENTARY

### Soybean:

Sentiments further eased in the soybean prices on the reports of decline in the prices on Chicago Board Of Trade soy futures. In Indore soybean was traded at Rs 1160-1170 per quintal with arrivals of 1-lakh bags and the plant delivery price of soybean was Rs 1190-1205 per quintal. Arrivals in Rajasthan were reported at 20,000-25,000 and traded at Rs 1120-1140 per quintal and plant delivery price was Rs 1180 per quintal. And in Maharashtra arrivals were around 55,000-60,000 bags traded at Rs 1150 per quintal and plant delivery prices were at Rs 1190-1200 per quintal. According to the traders shrinking arrivals of soybean in the major producing markets has not much affected the prices of soybean in the markets. DOC demand still remains the driving factor for the prices today as the demand for the soymeal has been increasing from the overseas markets.

### Rapeseed/Mustard:

Mustard seed markets are losing strength with the weakening of demand from the retail end. Mustard seed was traded at Rs 1510 per quintal in Kota and Rs 1720 per quintal in Jaipur. Situation of rabi crop is good. Weather is conducive for crop growth. Traders are expecting fresh crop to reach the mandis by end of January. Production of mustard seed this year is expected at 70 lakh ton. Crop cycle there is in synchrony with our rabi harvest.

### Status of Price & Supply of the New Crop 11.01.06

Markets	Prices (Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1720	1500
Alwar(C)	1670	1000
Delhi(C)	1740	800
Agra(C) katchi ghani	1790	900
Sri Ganganagar (NC)	1440	NA
Kota (NC)	1510	500

### Vayda Quotes

#### Mustard futures as on 11.01.06

Cent re	Mo nth s	Prev. Settle	Open	High	Low	Cha nge	Close
Delhi	Feb	330.7	329.4	330	328	-2.2	328.5
Hapu r	Feb	340	339.5	339.5	337.3	-2.2	337.8
Hisar	Jan	326.6	326.4	326.4	325.6	-0.6	326

### Groundnut

Sentiments further eased for the groundnut prices in the markets with the weakening of demand from the retail end. Arrivals of only 75,000 bags were reported in Gujarat. Groundnut seed in Rajkot mandi traded at Rs 343 per 20 kg and groundnut oil at Rs 450 per 10 kg. According to the traders reduced in its arrivals does not have much impact on the markets, as the demand for the same is null in the major consuming markets.

### Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kgs)	
	11.01.06	10.01.06
Gr Kernel	2215*	2215*
Bolds 60/70	2660*	2660*
*Javas 60/70	2950*	2950*
Javas 70/80	2875*	2875*
Javas 80/90	2780*	2780*

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

### CBOT

#### CBOT Soy Futures End Down

Soy futures at Chicago Board of Trade settled lower on Tuesday. March soybean future settled off 5 cents at \$5.89 per bushel. May soybean closed off 4 cents at \$5.99 per bushel. March soymeal closed off \$2.2 at \$182.4 per short ton and March soybean oil off 16 points at 22.43 cents per pound. Market in fact had nothing fresh in fundamentals participants appeared to have positioning ahead of USDA report. The US Department of Agriculture will be releasing its monthly crop report on Thursday. People are concerned about likely upward revision in ending stock of soy for the year 2005-06. Traders are expecting that USDA could revise it up to 450 million bushels against its last month estimates of 405 million bushels. Apart from Stock factor, favorable weather reports from South American continent kept weighing on values.

#### CBOT Soybean Futures as on 10.01.06

Mo nth s	Previous Settle	Open	High	Low	Ch ange	Close
Jan 06	584	586	586	575	-5.6	578.4
Mar 06	594	595	596.4	585	-5	589

CBOT remains close on Saturday & Sunday

### South American Soybean Futures Settle Down

March South American soybeans settled 16.5 cents lower from the yesterday closing to \$ 6.20 per bushel. Outlook for better weather in Argentina and a slower than expected demand pace from China leaves the soybean market settling down. With a shifting weather pattern in Argentina, crops may recover from the stressful dry conditions, and without a major weather disruption in South America, world ending stocks for soybeans could swell to a record 48.11 million tonnes for the 2005/2006 season, which is up from 42.09 million tonnes last year and 35.18 million tonnes two years ago. China officials are not optimistic about controlling bird flu into the Chinese New Year at the end of the month. In Turkey, there are more than 70 people suspected of having bird flu with 15 confirmed, and the news of the disease spreading may have added to the bearish tone yesterday.

### Canola Futures at WCE Settle Up

Canola futures at Winnipeg Commodity Exchange settled up as the firmness in the Canadian Dollar prompted the selling pressure. Reports from OIL WORLD that Australia has sold the bulk of its canola to the EU and that Canada will be the main supplier of canola to Asia generated some support to the market. According to the traders good export demand also added to the bullish tone. Commercial buying met mainly speculative selling with crushers having backed away from the market as crush margins have dropped in the past week.

#### WCE Soybean Futures as on 10.01.06

Commodity	Contract	Open	High	Low	Close	Chg
Canola	Jan -06	239.9	240.8	238.7	239.9	+0.8

### Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.99
Malaysia	Ringgits	11.74
European Union	Euro	53.15
United Kingdom	GBP	77.33
Japan	100 Yen	38.49

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