

## OILSEED

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

- Downtrend in Soybean Continues

## TECHNICAL ANALYSIS

### Commodity: SOYBEAN

#### Indicators -

1. Candlestick pattern shows indecisiveness slightly bearish market sentiments.
2. Prices closed below the 9-day and the 18-day EMA indicates bearish market sentiment.
3. %K line is moving downward after crossing %D from above in neutral region showing bearishness to continue.
4. MACD crosses the signal line from above showing possible price fall.

**Market advice:** The market seems indecisive at the stage. Go short with caution.



#### Soybean Future Closing price

Contract	18.01.06	19.01.06	Chg
February	1204.6	1205	+0.4

#### Expected Support and Resistance Levels

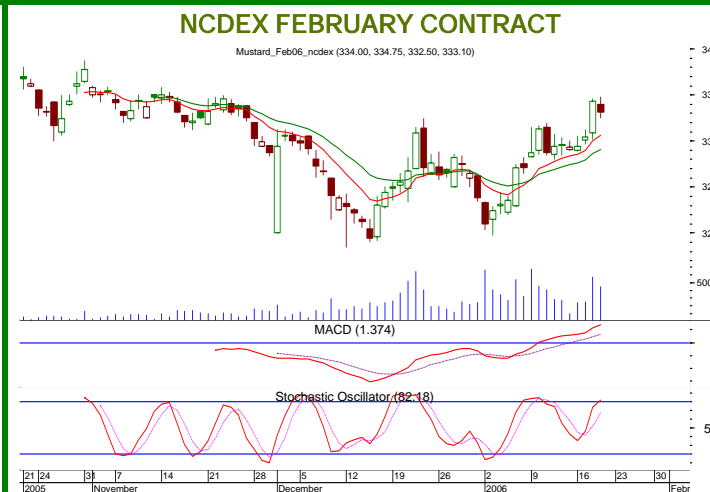
Contract	Supports	Resistances
February	1200.8	1208.7
	1196.6	1212.4

### Commodity: RAPESEED

#### Indicators -

1. Candlestick pattern shows indecisiveness in market.
2. Prices closed above the 9-day(330.06) and the 18-day (328.63) EMA.
3. %K line moving upward and reached in overbought region having upward tendency showing indecisiveness.
4. MACD is moving upwards with wide gap between signal line.

**Market advice:** The prices are expected to move range bound with positive sentiments. Go long with cautions.



#### Mustard Future Closing price

Contract	18.01.06	19.01.06	Chg
February	334.50	333.10	-1.4

#### Expected Support and Resistance Levels

Contract	Supports	Resistances
February	332.15	334.4
	331.20	335.7

## DOMESTIC MARKET COMMENTARY

### Soybean:

Soybean future of Feb contract at NCDEX opened at 1205 and reached highest value at 1208.20 within 15 min of opening. Market go down and reached to its lowest at 1202.35 at noon. Market sentiment then improved slightly and became steady due to strong bull-bear fight in the market. Sentiments remained slightly bullish in future market and closed higher than previous closing. Mandi rate at Indore was found Rs.1140-50/Qtl. Plant delivery of soybean quoted at Rs. 1180-1190 per qtl. In Madhya Pradesh, Maharashtra, Rajasthan markets arrivals were 80,000, 30,000-35,000 bags and 15,000-20,000 bags respectively. The price is expected to remain steady and may slightly go up due to prevailing low stock.

### Rapeseed/Mustard:

Mustard takes stride just after opening in NCDEX and reached to its highest prices at 334.75 due to buying pressure and maintained the upward trend in the first half and then started falling its prices. It reached its lowest point at 332.50. Bearish trend was observed in the Feb contract in future market. Mustard seed prices at physical market were improved slightly and showed upward trend. Mustard seed prices were quoted in Jaipur and Kota Rs 1730/quintal and 1515-1535/quintal respectively. Arrival of mustard seed is 20,000 bags in Jaipur. Today's arrivals of mustard seeds were 2000 bags, 550 bags in Alwar and Kota respectively. Arrivals of new mustard seed started to flush in Kota market.

### Status of Price & Supply of the New Crop 19.01.06

Markets	Prices Rs/Qtl	Arrivals (Bags)
Jaipur (C)	1730	20,000
Alwar(C)	1700-1710	2000
Delhi(C)	1770-1775	1200
Agra(C) Katchi Ghani	1790-1800	3900
Sri Ganganagar (NC)	1450	50
Kota (NC)	1515-1535	550

### Vayda Quotes

#### Mustard futures as on 19.01.06

Centr e	M	Prev. Settl e	Ope n	Hig h	Lo w	Ch	Clos e
Delhi	F	333.7	338.8	334.5	332.5	-0.7	333
Hapu r	F	343.1	343.5	343.8	341.0	-1.2	341.9
Hisar	M y	333.9	333.8	334.6	333.1	-0.5	334.1

M: Month; F: Feb; MY: May

### Groundnut

Price for groundnut remained range bound and not much fluctuation was observed in the market due to low demand compared to arrivals in the Gujarat market. Demand from the retail end was low. Groundnut seed in Rajkot Mandi traded at Rs 336 per 20 kg and groundnut oil at Rs 445-450 per 10 kg. Arrival at Gujarat Mandi is 40,000. Market for adulterated groundnut oil remained competent compared to premium oil. The future price of groundnut is expected to remain steady.

#### Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kgs)	
	19.01.06	18.01.06
Gr Kernel	2165*	2175*
Bolds 60/70	2710*	2710*
*Javas 60/70	2925*	2950*
Javas 70/80	2850*	2875*
Javas 80/90	2750*	2780*

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

### CBOT

#### CBOT Soy Futures Settle Lower

Soy future sellled lower at Chicago Boards of trades on Wednesday. March soybean future settled lower 5.50 cents at \$5.6575 per bushel, 6.25 cent off the high and 2.252 cent up from the low. May Soybeans settled lower 6 cent at \$5.7475/bushels, it was 2.25 cent up from the low and 6.25 cent off the high. March Soymeal settled lower \$2.8 at \$177.5 per ton, it was \$1.9 up from the low and \$0.5 off the high. March Soybean Oil settled lower 0.06 cents at 21.16 cents/pond, 0.21 cents off the high and 0.16 cents up from the low. The improving crop conditions in South America, indicated China's move towards booking US soybeans for February shipment and a lack of new buying support from fund traders helped trigger the early weakness. The spread of bird flu into Eastern Europe is hurting poultry demand from the consumer level and if the setback in demand extends for very long, meal demand could suffer. Without buying from China the market may lack the commercial support to absorb the fund selling pressures.

#### CBOT Soybean Futures as on 19.01.06

Mont h	Previo us Settle	Ope n	High	Low	Cha nge	Close
Mar 06	571.2	565.4	579.2	563.4	-5.6	565.6
May 06	580.6	574	588.4	572.4	-6	574.6

#### South American soybean Settle Lower

March South American soybeans settled 5 cents lower at \$6.02/bushel as compared to previous

closing price. Volume came at 0 with open interest at 27 and was 10 sessions in a row without much volume. Traders are hopeful that volume would go high into the Brazil harvest season and especially when China shifts demand from the US to Brazil. Harvest is just getting started in northern Mato Grosso, and the harvest will continue till April. The US market is watching increased selling pressure for improving crop conditions in South America, increased selling from trend following fund traders and the outlook for less buying from China of US soybeans over the near term are expected to be the cause. The uncertainty associated with the bird flu factor is still a potential bearish force for the market

### Forex Rate

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.34
Malaysia	Ringgits	11.83
European Union	Euro	53.54
United Kingdom	GBP	77.84
Japan	100 Yen	38.48

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