

OILSEED

17<sup>th</sup> February, 2006

Mustard and Soybean moving upward on account of tariff hike

## TECHNICAL ANALYSIS

Commodity: SOYBEAN

### Indicators

1. Candlestick showing bullish market sentiments
2. Prices closed above the 9-day and 18-day EMA showing bullish sentiments.
3. %K is made bullish cross over with % D line showing bullish market sentiments.
4. MACD is moving upward and approaching its signal line showing possible bullish cross over

### Market advice:

Buy above 1231.14, target near 1236.00 and stop loss at 1228.22

### NCDEX MARCH SOYBEAN CONTRACT



### Soybean Future Closing price

Contract	15.02.06	16.02.06	Chg
March	1224.00	1231.00	+7.0

### Expected Support and Resistance Levels

Contract	Supports	Resistances
March	1218.17	1241.97
	1212.37	1251.81

Commodity: RAPESEED

### Indicators

1. Candlestick showing bullish market sentiments.
2. Prices closed above the 9-day and the 18-day EMA showing bullish market sentiments.
3. %K line made bullish cross over with % D line showing bullish market sentiments.
4. MACD moving below its signal line with wide gap showing the trend is likely to continue.

### Market advice:

Buy above 338.50, target near 339.62 and stop loss at 337.50

### NCDEX MAY MUSTARD CONTRACT



### Mustard Future Closing price

Contract	15.02.06	16.02.06	Chg
May	338.70	338.50	-0.30

### Expected Support and Resistance Levels

Contract	Supports	Resistances
May	336.11	341.34
	334.37	342.53

## DOMESTIC MARKET COMMENTARY

### Soybean:

NCDEX March contract opened firm at 1226.50 which decline then after for the contract. It remain steady for some time with bearish sentiments and started to fetch high after 12.00 pm. With slight up and down it reached to today's high 1237.0 at 3.00 pm. The prices then started to fall and finally settled at 1231.0 Overall market sentiment remained bullish today. Prices at physical market remained range bound and steady with slight improvements. Mandi rate at Indore was Rs.1135-1160/Qtl. Plant delivery of at remained same as that of previous day at Rs. 1200-1210 per qtl. In Madhya Pradesh, Maharashtra, Rajasthan markets arrivals were 60,000-70,000, 30,000-35,000 and 8000-10,000 bags respectively. Due to hike in tariff rate by the Govt, the market sore high due to active buying by the bulls. Prices is expected to remain firm for another 2-3 days and trend is expected to remain bullish for medium term but may influenced by international trding reports. The long term trend expected to remain bullish owing to reduce arrivals and fast depleting stocks.

### Rapeseed/Mustard:

NCDEX May contract opened weak today at 338.1 than the previuos closing price which remain lowest price of the day. It then followed upward trend upto 11.00 am and remain steady for some time with bearish sentiments and then climb up steadily and reached to the day's highest value 339.9 at 12.15 pm. It then started to decline and settled at 338.50 Overall market sentiments remain bearish today. Mustard seed prices at physical market were mostly range bound and increased slightly in few pockets. The prices of Jaipur, Alwar, Delhi and Agra are quoted at Rs 1720, 1620-1625, 1750 and 1780-1800 per quintal respectively. Prices in Kota improved slightly and ranged between 1400-1510. Arrival of mustard seed is reported to be 2500, 5000, 800-1000 bags in Jaipur Alwar and Delhi. Arrivals from Agra were quoted at 3900/(Q), same as that of previous day. Arrival from Kota is reported to be 6000 bags. Total arrival of Rajasthan is reported to be 40,000-45,000 bags. Arrivals of new mustard seed started to flush in Rajasthan market. Hike in tariff rate on imported oils results into upward movement of prices in Vayda market. It is expected that the prices will remain on the higher side for 2-3 more days until the picture get cleared for another possible hike. Long term futures is expected to remain bearish on account of arrival pressure of mustard seeds. Rumours at Indore regarding hike in MSP by NAFED results into inflation of prices. In Haryana market, there was rumour about decrease in MSP by the government which leads to confusion in the market.

### Status of Price & Supply of the New Crop 16.02.06

Markets	Prices Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1720	2500
Alwar(C)	1620-1625	5000
Delhi(C)	1750	800-1000

Agra(C) Katchi Ghani	1780-1800	3900/(Q)
Sri Ganganagar (NC)	1505	-
Kota (NC)	1400-1510	6000

### Vayda Quotes

#### Mustard futures as on 16.02.06

Spot	M	PCP	O	H	Low	Ch	C
Delhi	MA	339.0	338.7	339.5	338.5	0	339.0
Hapur	MA	348.5	348.0	349.5	347.9	-0.1	348.4
Hisar	MY	333.1	333.1	333.7	332.9	-0.1	333.0

M: Month; MA: MARCH; MY: May

### Groundnut

Price for groundnut remains range bound and steady due to equality in demand and supply. Arrival of groundnut in the Gujarat market remained 45,000-50,000 bags. Groundnut seed in Rajkot Mandi traded at Rs 336 per 20 kg and groundnut oil at Rs 440 per 10 kg. Demand for groundnut seed remained same as that of previous day. Prices of groundnut oil increased by Rs. 3 on account of tariff hike on base import duty on Soy and palm oil. The groundnut seed is expected to increase in future due to depleting present stock and growing demand.

### Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kg)	
	16.02.06	15.02.06
Gr Kernel	2190*	2190*
Bolds 60/70	2695*	2690*
Javas 60/70	3000*	3000*
Javas 70/80	2890*	2890*
Javas 80/90	2790*	2790*

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

### CBOT

#### CBOT Soy Future Remain Mixed

March Soybeans settled up 3.75 cents at \$5.87/bushel, 3 cents off the high and 16 cents up from the low. May Soybeans settled up 3 cents at \$5.99/bushel which was 16 cents up from the low and 4 off the high. March Soymeal settled down \$0.1 at \$182.4/ton that was \$3.8 up from the low and \$1.1 off the high. March Soybean Oil settled up 0.23 cents at 22.27 cents/pound, 0.3 cents off the high and 0.51 cents up from the low. Due to the strength in other grains the march soybean get support and settled up in the market. Weather forecast for next 5-6 days seems to be remain dry and might affect the crop yield. Seriuos concern for sperding bird

flu in Europe and Middle East leads to less demand of soy meal for poultry and traders have a keen eye on meat consumption and meal consumption news.

#### CBOT Soybean Futures as on 15.02.06

Month	PCP	O	H	L	Ch	Close
Mar 06	583.2	583.4	590.0	571.0	+3.8	587.0
May 06	596.0	596.6	603.0	583.0	+3.0	599.0

#### South American Soybean Futures Loose Strength

South American soybean futures settled low on Thursday. March South American soybeans settled 1 cent lower on the day to \$6.33/bushel as compared to previous closing price. Harvesting is going on in Brazil's number one producing state of Mato Grosso, which was delayed due to heavy rain in next week. As harvesting begins to start the exporters are showing little interest, due to strong value of Brazilian currency which is at its 5 year's peak. Farmers are reluctant to sell their produce owing to strong Brazil currency. The improved chances of rain and cooler weather in next week helped to push the prices down. Hefty oil stock data announced by NOPA recently could also be the reason for its down fall. Record high ending stocks forecasts for the US and the world helped to slip down the prices. Serious concern for spreading bird flu in Europe and Middle East leads to less demand of soy meal for poultry and traders have a keen eye on meat consumption and meal consumption news. Tough challenge to absorb record harvest of South American crop at a time when world stocks are at its peak would also weaken the market.

#### LATEST WEATHER WATCH: 16.02.2006

##### Forecast valid for next 72 hours

Under the influence of a Western Disturbance, rain/snow has occurred at many places over Jammu & Kashmir and isolated over Himachal Pradesh during past 24 hours. Rain/thundershowers have also occurred at a few places over Assam and Arunachal Pradesh. This activity is likely to continue over these areas during next 2 days.

Day and night temperatures were generally 4-6°C above normal over northwest India, Gangetic plains, north Madhya

Pradesh, Gujarat and northeastern States. However, they were 6-8°C above normal over some parts of Rajasthan, Haryana and north west Madhya Pradesh. A fall of 2-3°C in night temperatures over northwest India is expected during next 2 days. However, they are likely to increase by a similar magnitude subsequently.

#### NORTH-WEST INDIA

Rain/snow likely at many places over higher reaches of Jammu & Kashmir and at a few places over rest Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Isolated rain/thundershowers also likely over the rest region during next 24 hours.

#### EAST INDIA

Isolated rain/thundershowers is likely over Sub-Himalayan West Bengal & Sikkim. Weather will be mainly dry over the rest region.

#### NORTHEAST INDIA

Rain/thundershowers are likely over at a few places over Assam and Arunachal Pradesh and isolated over the rest region.

#### SOUTH INDIA

Isolated rain/ thundershowers likely over Nicobar Islands. Weather will be mainly dry over the rest region. Night temperatures over interior Peninsula are likely to remain 2-4°C below normal.

#### WEST INDIA

Weather will be mainly dry over the region. A fall of 2-3°C in Night temperatures is expected over Rajasthan.

#### CENTRAL INDIA

Weather will be mainly dry over the region with a fall of 2-3°C in Night temperatures over Madhya Pradesh.

Source: MDI, GOI

#### Forex Rate on 16.02.06

Country/Continent	Currency	Value in Rupees
USA	Dollar	44.30
European Union	Euro	52.66
United Kingdom	GBP	77.05
Japan	100 Yen	37.62

#### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.