

## OILSEED

3<sup>rd</sup> February, 2006

Mustard and Soybean likely to continue bearish tone

### TECHNICAL ANALYSIS

#### Commodity: SOYBEAN

##### Indicators-

1. Candlestick showing indecisive market sentiments.
2. Prices closed below the 9-day (330.06) and 18-day (328.63) EMA showing bearish market sentiments.
3. %K line crossed %D line from above and moving downward direction showing bearish market sentiments.
4. MACD is separating again indicating the trend likely to continue.

##### Market advice:

Sell below 1209, target near 1189 and stop loss at 1220.

##### NCDEX FEBRUARY CONTRACT



##### Soybean Future Closing price

Contract	1.02.06	2.02.06	Chg
February	1209.50	1209.50	0

##### Expected Support and Resistance Levels

Contract	Supports	Resistances
February	1181.00	1216.00
	1172.00	1223.00

#### Commodity: RAPESEED

##### Indicators-

1. Candlestick showing bullish market sentiments.
2. Prices closed above the 9-day(330.06) and the 18-day (328.63) EMA showing bullish market sentiments.
3. %K line crossed %D line showing bearish crossover and moving downward showing weak market sentiments.
4. MACD is moving upwards with wide gap indicating indecisiveness.

##### Market advice:

Market is risky at this stage, better to avoid taking position.

##### NCDEX FEBRUARY CONTRACT



##### Mustard Future Closing price

Contract	1.02.06	2.02.06	Chg
February	333.90	335.00	+1.90

##### Expected Support and Resistance Levels

Contract	Supports	Resistances
February	333.68	336.13
	332.36	337.26

## DOMESTIC MARKET COMMENTARY

### Soybean:

NCDEX future market opened weak at 1206.10 and remained steady with slight fluctuation upto 12.00 pm. Soybean oil market today totally confused with the sudden news at afternoon to impose a Tariff Rate Quota (TRQ) on soybean oil to restricts soybean oil import. The future market exploded with a giant jump to gain hike of 10.60 points instantly. The rumour was to hike in TRQ on imported soybean oil as 45 per cent custom duty will be charged up to certain quantity of import. Beyond that limit government may further hike the TRQ as per need. But according to the WTO pact, government is not supposed to hike TRQ more than 45 per cent unilaterally. Market then remained confused with the news and tried to get confirmation from different sources. With no government clarification the market then steadily came down with the lowest point 1203.10 at 4.15 pm and tried to retrace again and finally settled at 1209.50. Overall market sentiment remained bullish. Mandi rate at Indore was Rs.1120-1150/Qtl. Plant delivery of soybean quoted at Rs. 1190-1200 per qtl. In Madhya Pradesh, Maharashtra, Rajasthan markets arrivals were 75000-80000, 25,000-30,000 bags and 10,000 bags respectively. Increased arrival in MP is due to release of stock from stockist so that they can store fresh arrival of new crops. Low demand of DOC and soy oil being the main reason for weakening of prices in physical market. There are chances that prices might sprout for very short time due to gap between decrease in arrivals of soybean and optimum arrivals of mustard seed in the market.

### Rapeseed/Mustard:

NCDEX future market opened weak at 333.50 lower than previous closing price. It remained constant up to noon then tried to regain its firm position due to rumour of TRQ and reached to its highest value 335.95 at 12.30 pm. It retreated thereafter and finally settled at 335.00. The overall market sentiments remained bullish today. Mustard seed prices at physical market were range bound and steady. Mustard seed prices were quoted in Jaipur, Alwar and Sri Ganganagar at Rs 1710-15, 1670-1675 and 1425-1450 per quintal respectively. Arrival of mustard seed is 10,000-15,000, 500 and 300 bags in Jaipur, Alwar and Delhi respectively. Arrivals from Agra were quoted at 4025-4050 (Q). Arrivals of new mustard seed started to flush in Rajasthan market. Hefty previous stock coupled with fresh arrivals of mustard seed in the market leads to steady prices.

### Status of Price & Supply of the New Crop 2.02.06

Markets	Prices Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1710-1715	10,000-15,000

Indian Agribusiness Systems Pvt. Ltd., New Delhi

Alwar(C)	1670-1675	500
Delhi(C)	1715-1720	300
Agra(C) Katchi Ghani	1780	4025-4050 (Q)
Sri Ganganagar (NC)	1425-1450	-
Kota (NC)	1490-1515	500

### Vayda Quotes

Mustard futures as on 2.02.06

Centre	M	PCP	O	H	Low	Ch	Clos e
Delhi	F	334.5	334.4	335.7	334	-0.1	334.4
Hapur	F	339.3	339.2	340.2	339.2	+0.15	339.45
Hisar	My	331.3	331.5	331.5	330.5	-0.5	330.8

M: Month; F: Feb; MY: May

### Groundnut

Price for groundnut remained range bound and steady due to equality in demand and supply. Arrival of groundnut in the Gujarat market is 45,000-50,000 bags. Groundnut seed in Rajkot Mandi traded at Rs 331 per 20 kg and groundnut oil at Rs 438 per 10 kg. Harvesting of groundnut in Gujarat is finished and whatever reached to the market is the stored stock of farmers. Other oil prices are much below the prices of groundnut and unless the prices could increase in these oils there is meager chances for the improvement in groundnut prices. Therefore prices remain range bound and expected to improve in coming days.

### Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kgs)	
	2.01.06	1.02.06
Gr Kernel	2155*	2155*
Bolds 60/70	2640*	2640*
Javas 60/70	2950*	2950*
Javas 70/80	2870*	2870*
Javas 80/90	2760*	2750*

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

### CBOT

#### CBOT Soy Futures Settle High

March Soybeans settled down 4.50 cents at Soy future settled low at Chicago Boards of Trades on Wednesday. March Soybeans settle down 14.75 cent at \$5.7950, 15 cents off the high and 0.50 cents up from the low. May Soybeans settled down 14.50 cents at \$5.9225. This

was 0.75 cents up from the low and 14 cents off the high. March Soymeal closed down \$3.8 at \$181.2/ton that was \$0.6 up from the low and \$2.1 off the high. March Soybean Oil finished down 0.53 cents at 21.82 cents/pound, 0.6 cents off the high and 0.02 cents up from the low. Weather forecast for rain in Argentina helped to pull down the market further. Good rains after a long dry spell could be seen more favourable for the crop with better performance and high yield as expected by agronomist in Argentina. Speculative selling pressure could be the other reason to pull down the market. US export sales report showed lower soybean sales near 400,000-600,000 tonnes as compared with 521,900 tonnes in previous week. Meal sales are expected near 75,000-150,000 tonnes with oil sales near 0-10,000 tonnes.

#### CBOT Soybean Futures as on 31.01.06

Month	PCP	Open	High	Low	Ch	Close
Mar 06	594.2	586.4	603.2	563.4	-14.8	579.4
May 06	606.6	599	614	572.4	-14.4	592.2

#### South American soybean Futures Settle High

South American soybeans future settled low on Wednesday. March South American soybeans settled 5 cents lower to \$624/bushel as compared to previous closing price. The market was lowered by 5-10 cents on the opening and came down from \$615 to \$597 level due to lack of much support in the market. A more normal weather forecast for Argentina and southern Brazil could lead to increased selling from South American producers, US producers and speculators with

a view of hefty stock situation. Scattered rains are expected in Argentina in coming days due to the weakening of high pressure ridge over the Argentina, which prevent rainfall in the region. Cash markets at Paranagua, Brazil have shown some weakness recently that might be the other reason for slower growth. The fundamentals in the South American market remained weak for expectation of bumper harvest until there is any news for crop damage by recent stress condition, which remained the driving force to pull the market down.

#### Forecast valid for next 72 hours

**NORTH:** Rain/snow is likely at isolated places over NORTH: Weather will be mainly dry over the region.

**EAST:** Isolated rain/thundershowers likely over Arunachal Pradesh, Assam and Sub-Himalayan West Bengal & Sikkim on 4<sup>th</sup> and 5<sup>th</sup>. Weather will be mainly dry over the rest region.

**SOUTH:** Isolated light rain/thundershowers likely over south Tamil Nadu on 4<sup>th</sup> and 5<sup>th</sup>. Weather will be **mainly dry** over the rest region.

**WEST:** Weather will be mainly dry over the region..

Source: IMD, GOI

#### Forex Rate on 2.02.06

Country/Continent	Currency	Value in Rupees
USA	Dollar	44.31
Malaysia	Ringgits	11.79
European Union	Euro	53.37
United Kingdom	GBP	78.48
Japan	100 Yen	37.39

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