

## OILSEED

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

Soybean and Mustard Future likely to improve

### TECHNICAL ANALYSIS

#### Commodity: SOYBEAN

##### Indicators

1. Candlestick showing bullish market sentiments.
2. Prices closed above the 9-day and 18-day EMA showing bullish market sentiments.
3. %K line is moving upward and reached in overbought region & % D line is lagging behind showing indecisiveness in the market.
4. MACD signal line approaching towards MACD indicating possible bullish crossover.

##### Market advice:

Buy above 1216.00, target near 1221.00 and stop loss at 1213.00.

#### NCDEX FEBRUARY SOYBEAN CONTRACT



#### Soybean Future Closing price

Contract	6.02.06	7.02.06	Chg
February	1217.00	1218.00	+1.0

#### Expected Support and Resistance Levels

Contract	Supports	Resistances
February	1205.14	1224.24
	1199.68	1232.03

#### 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 is moving upward and reached in overbought region & % D line is lagging behind showing indecisiveness in the market.
4. MACD is moving upwards with wide gap indicating indecisiveness.

##### Market advice:

Market at this juncture is risky. Risk lover can sell near 340.50, target at 338.50 and stop loss at 341.20.

#### NCDEX FEBRUARY MUSTARD CONTRACT



#### Mustard Future Closing price

Contract	6.02.06	7.02.06	Chg
February	338.50	339.80	+1.30

#### Expected Support and Resistance Levels

Contract	Supports	Resistances
February	333.74	340.85
	332.10	342.36

## DOMESTIC MARKET COMMENTARY

### Soybean:

NCDEX future market opened weak today at 1215 and followed upward trend then after. From 11.30 onwards the market started to fall and reached to its lowest value 1210.50 at 1.30 pm. Market then tried to regain its strength steeply and reached to its highest value 1219.00 at last trading. Closing price remain 1218. Overall market sentiment remained bullish. Mandi rate at Indore was Rs.1140-1160/Qtl. Plant delivery of soybean quoted at Rs. 1200-1210 per qtl. In Madhya Pradesh, Maharashtra, Rajasthan markets arrivals were 70,000-80,000, 30,000-35,000 and 10,000 bags respectively. Weakness in the prices of soybean in international market could be the driving force for loosing strength in prices in first half. Talk of imposing exise duty and tax on Vanaspati import could be the possible reason to boost the prices in later half

### Rapeseed/Mustard:

NCDEX future market opened firm at 338.80 then previous closing price and started to fall steeply. It then tried to gain strength but reached to its lowest value at 337.55. However, it then gained strength with a steady rise and reached to its highest value 339.80 and finally settle there. Overall market sentiments remained bullist today. Mustard seed prices at physical market were mostly range bound and steady. Mustard seed prices remained range bound in most of the places. The prices of Jaipur, Alwar, Delhi and Agra are quoted at Rs 1725, 1670-1675, 1720-1725 and 1780-1800 per quintal respectively. Arrival of mustard seed is 2000, 1200 and 400-500 bags in Jaipur, Alwar and Delhi respectively. Arrivals from Agra were quoted at 3900/(Q). Total arrival of Rajasthan is reported to be 15,000 bags. Improvement in the prices may seen in context with the improvement in prices at Hapur. Arrivals of new mustard seed started to flush in Rajasthan market. Government planning to procure mustard seed at MSP helped to support the market up.

### Status of Price & Supply of the New Crop 7.02.06

Markets	Prices Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1725	2000
Alwar(C)	1670-1675	1200
Delhi(C)	1720-1725	400-500
Agra(C) Katchi Ghani	1780-1800	3900/(Q)
Sri Ganganagar (NC)	1435-1440	-
Kota (NC)	1480-1500	200-300

**N-New**

**O-Old**

### Vayda Quotes

Mustard futures as on 7.02.06

Spot	M	PCP	O	H	Low	Ch	C
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Indian Agribusiness Systems Pvt. Ltd., New Delhi

Delhi	F	339.0	338.8	339.8	338.2	+0.8	339.8
Hapur	F	344.0	343.7	346.1	343.7	+2.1	346.1
Hisar	My	333.7	333.3	334.1	332.9	+0.4	334.1

**M: Month; F: Feb; 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 is 45,000-50,000 bags. Groundnut seed in Rajkot Mandi traded at Rs 336 per 20 kg and groundnut oil at Rs 445 per 10 kg. Harvesting of groundnut in Gujarat is over and whatever reached to the market is the stored stock of farmers. Groundnut remains in tandem with other oil complex and closely follows other oils like soy oil, palm oil etc. Therefore prices are expected to remain range bound and steady for the time being.

### Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kgs)	
	7.02.06	6.02.06
<b>Gr Kernel</b>	2170*	2170*
<b>Bolds 60/70</b>	2650*	2640*
<b>Javas 60/70</b>	2925*	2925*
<b>Javas 70/80</b>	2840*	2840*
<b>Javas 80/90</b>	2760*	2770*

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

### CBOT

### CBOT Soy Futures Settle Low

Soy future settled low at Chicago Boards of Trades on Monday. March Soybeans settled down 7.75 cents at \$5.87/bushel, 17.50 cents off the high and 4 cents up from the low. May Soybeans settled down 7 cents at \$6.0050/bushel that was 3.50 cents up from the low and 16 cents off the high. March Soymeal settled low at \$3.0 at \$181.0/ton which was \$0.8 up from the low and 3.3 off the high. March Soybean Oil settled down 0.09 cents at 22.57 cents/pound, 0.28 cents off the high and 0.32 cents up from the low. With the firm opening the market losed its strength due to lack of interest of fund buyers coupled with selling pressure of long position holders. At the same time, sellers were relaxed for the reason that fund buyers will not come forward due to lower movement of wheat and corn. Talk of improving South American weather situation and forecast of rain early this week and weakened in Argentina helped further to pull the market down. Cumulative shipments of US soybean for this year reached only at 50.1% as compared to the USDA forecast of 62.8%.

**CBOT Soybean Futures as on 6.02.06**

Month	PCP	Open	High	Low	Ch	Close
Mar 06	594.6	597.0	604.4	585.0	-7.6	587.0
May 06	607.4	610.0	616.4	597.0	-7.0	600.4

### South American Soybean Futures Settle High

South American soybeans future settled high on Monday. March South American soybeans settled 10 cents higher on Friday to \$6.15/bushel as compared to previous closing price. Steady fund buying in the South American market helped to boost the prices up. Stability in the cash market at Paranagua Brazil late last week could also be a possible reason for the support. Weather forecast for the next week is supposed to remain dry. Mere possibility of entering fund buyers into the market leads to prevent the traditional sellers to take short position. It seems that major index fund may make another allocation to soybeans could also be the reason for gaining support. Recent production estimate for Brazil revealed at 57.1 million tonnes, lower than 57.4 million tonnes (10<sup>th</sup> January Forecast), which is still higher than the previous year's bumper crop at 52.6 million tonnes.

### Forecast valid for next 72 hours

NORTH-WEST INDIA: Isolated rain/snow likely over higher reaches of Jammu & Kashmir and Himachal Pradesh. Weather will be mainly dry over the rest region.

EAST INDIA: Weather will be mainly dry over the region.

NORTH-EAST INDIA: Weather will be mainly dry over the region.

SOUTH INDIA: Weather will be mainly dry in the region.

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

CENTRAL INDIA: Weather will be mainly dry over the region.

**Source: GOI, IMD**

### Forex Rate on 7.02.06

Country/Continent	Currency	Value in Rupees
USA	Dollar	44.21
Malaysia	Ringgits	11.84
European Union	Euro	52.93
United Kingdom	GBP	77.23
Japan	100 Yen	37.47

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