

## OILSEED

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

Soybean and Mustard remain indecisive

### 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 line made a cross from upward with % D line showing possible bearish sentiments.
4. MACD made a bullish cross over with bearish market sentiments.

##### Market advice:

Buy above 1216.50, target near 1224.00 and stop loss at 1211.64.

##### NCDEX FEBRUARY SOYBEAN CONTRACT



##### Soybean Future Closing price

Contract	8.02.06	9.02.06	Chg
February	1213.85	1221.40	+7.55

##### Expected Support and Resistance Levels

Contract	Supports	Resistances
February	1206.15	1240.00
	1191.36	1259.60

#### Commodity: RAPESEED

##### Indicators

1. Candlestick showing indecisive 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 gap is narrow showing possible bearish crossover with % D line.
4. MACD is moving upwards with wide gap indicating indecisiveness.

##### Market advice:

It is highly risky to take position at this juncture. Risk lover can go for long above 340.35, target near 342.00 and stop loss at 339.36.

##### NCDEX FEBRUARY MUSTARD CONTRACT



##### Mustard Future Closing price

Contract	8.02.06	9.02.06	Chg
February	340.35	344.10	+3.75

##### Expected Support and Resistance Levels

Contract	Supports	Resistances
February	337.10	344.75
	333.66	346.45

## DOMESTIC MARKET COMMENTARY

### Soybean:

NCDEX future market opened weak today at 1214.25 and oscillating between opening prices up to 11.45 am. Then it gain strength from buyers end and shown steady rise. The highest value was noticed 1223.00 at 4.15 pm and then remained down for some time. It again tried to gain strength and finally settled at 1221.40. Overall market sentiment remained bullish. Prices remained steady as that of previous day. Mandi rate at Indore was Rs.1140-1160/Qtl. Plant delivery of at Rs. 1200-1210 per qtl. In Madhya Pradesh, Maharashtra, Rajasthan markets arrivals were 70,000-80,000, 30,000-40,000 and 10,000 bags respectively. Improvement in other oils help to trigger the prices up. Government is also planning to hike tariff rate on Vanaspati, Palm and Soy oil in coming budget. Talk of setting up of bio-diesel plant based on palm and other oil in Malaysia and Singapore boost BMD up which has influence on NCDEX.

### Rapeseed/Mustard:

NCDEX future market opened firm at 341.00 then previous closing price and remained steady for some time, started to fall thereafter up to 11.30 am. It then gain momentum and rise steeply, reached to its highest value at 337.55 near closing time. Overall market sentiments remained bullist today. Mustard seed prices at physical market were mostly range bound and steady. The prices of Jaipur, Alwar, Delhi and Agra are quoted at Rs 1725, 1690, 1745 and 1800-1825 per quintal respectively. Arrival of mustard seed is 2000, 500-800 and 300 bags in Jaipur, Alwar and Delhi respectively. Arrivals from Agra were quoted at 3925/(Q). Improved arrival was noticed in kota Mandi. Total arrival of Rajasthan is reported to be 10,000-15,000 bags. Arrivals of new mustard seed started to flush in Rajasthan market.

### Status of Price & Supply of the New Crop 9.02.06

Markets	Prices Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1725	2000
Alwar(C)	1690	500-800
Delhi(C)	1745	300
Agra(C) Katchi Ghani	1800-1825	3925/(Q)
Sri Ganganagar (NC)	1470-1475	-
Kota (NC)	1450-1520	2200-2300

**N-New**

**O-Old**

### Vayda Quotes

#### Mustard futures as on 8.02.06

Spot	M	PCP	O	H	Low	Ch	C
Delhi	F	340.7	341.5	344.0	341.1	+3.3	344.0
Hapur	F	346.0	346.5	349.5	346.5	+3.5	349.5
Hisar	My	333.7	334.2	335.0	333.7	+1.1	334.8

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 338 per 20 kg and groundnut oil at Rs 448 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. Slight improvement witnessed in spot market due to the reason of improvement in future market. Talk of tariff hike in coming budget for palm and soy oil could be the possible reason for strengthening future market.

### Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kgs)	
	9.01.06	8.02.06
Gr Kernel	2190*	2190*
Bolds 60/70	2650*	2650*
Javas 60/70	2925*	2925*
Javas 70/80	2840*	2840*
Javas 80/90	2760*	2760*

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

### CBOT

#### CBOT Soy Futures Settle High

March Soybeans settled up 4 cents at \$5.78/bushel, 4.50 cents off the high and 7 cents up from the low. May Soybeans settled up 3.25 cents at \$5.9125/bushel which was 7.25 cents up from the low and 4.25 cents off the high. March Soymeal settled up \$3.5 at \$180.2/tonnes that was \$4.4 up from the low and \$0.3 off the high. March Soybean Oil finished down 0.13 cents at 22.15 cents/pound, 0.13 cents off the high and 0.08 cents up from the low. Early downfall pressurised the market initially but later half observed a solid gain for the reason of possibility of index fund buyers being active that time. Traders are waiting for supply/demand report with hope for a jump of 29 million bushels in ending stocks to 534 million bushels. Weekly export sales report released, showing soybean sales near 250,000-400,000 tonnes as compared with 446,600 tonnes last week. Soymeal sales are expected near 50,000-125,000 tonnes and oil sales near 0-10,000 tonnes. Speculation of lower production from Brazil and Argentina could also be the possible reason for gaining support. South Korea is planning to buy 165,000 tonnes of optional origin meal.

#### CBOT Soybean Futures as on 8.02.06

Month	PCP	Open	High	Low	Ch	Close
Mar 06	574.0	572.4	582.0	571.0	+4.0	578
May 06	588.0	586.0	595.4	584.0	+3.2	591.2

### South American Soybean Futures Settle Low

South American soybeans future settled low on Wednesday. March South American soybeans closed 13 cents lower on Wednesday to \$5.95/bushel at the lowest value since November 29th. Brazil 2005/2006 export reached 24.4 million tonnes, 10% high than previous year. Weather looks favourable for Southern Brazil and Argentina and expected to remain hot and humid for the next week free from scorching heat that is injurious to crop. Crops are expected to improve in some areas due to recent rains. If dryness will persist then it will be major concern for the crop otherwise looks favourable. USDA forecast for world ending stock remained at 53.15 million tonnes as compared to 44.9 million tonnes last year. Sellers dominated in the market with selling of 4,000 contracts up to the previous close that pulled the market down. Meal was also showing downtrend and demand for soybeans remain lower at the China exchange. Report of another bird flu outbreak in northern China province and culling of 187,000 chickens would be the driving force for the downfall. Less demand of Chinese chicken from the Gulf region

leads to lower demand of soybean and meal from South American continent.

### Forecast valid for next 72 hours

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

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

**NORTHEAST:** Isolated rain/thundershowers likely over Sub-Himalayan West Bengal & Sikkim and North Eastern States on 10<sup>th</sup> & 11<sup>th</sup>. Weather will be mainly dry over the rest region.

**SOUTH:** Isolated rain/thundershowers likely over Nicobar Islands. Weather will be mainly dry over the rest region.

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

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

**Source:** GOI, IMD

### Forex Rate on 9.02.06

Country/Continent	Currency	Value in Rupees
USA	Dollar	44.20
European Union	Euro	52.96
United Kingdom	GBP	77.15
Japan	100 Yen	37.51

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