

OILSEED DAILY

SOYBEAN

November 23rd, 2006

FUNDAMENTALS:

Marginal decline in demand for soymeal in domestic market amidst steady soy oil were few of the developments that decided today's spot market sentiments. Buying support decreased considerably at higher open market prices, however limited availability of ready stock amidst normal offtake supported the rates from falling down further. Producers and stockists holding back beans, has virtually declined ready availability of soybean at spot markets. Local buyers dominated the total purchase in major spot markets. The offtake of soybeans by these buyers is generally observed in relatively smaller as compared to large processing units and seed industries. Thus keeping the sentiments largely mixed. Rates picked up in Maharashtra due to relative decline in arrivals amidst firm demand from millers and solvent extraction units. The NCDEX Dec contract traded with bullish sentiments on account of firm soy futures in overseas market but closed on an indecisive note due to lack of buying support at higher price levels.

PRICE DRIVERS:

1. Normal demand in physical markets.
2. Firm soy oil & steady soymeal demand in domestic market.
3. Firm soy future in overseas.
4. Normal offtake by processing units.
5. Relative decline in base arrivals.

WEATHER:

Weather would be normal in most of the soybean growing areas.

TECHNICALS

Small real body indicates indecisiveness in the market. MACD is moving up in overbought region. Stochastic has made a bullish cross over in overbought region indicating firmness ahead. The prices closed above 9 day and 18 day EMA shows firmness. Volume and OI both declined.



SUPPORT / RESISTANCES:

| Contract | S2 | S1 | PCP | R1 | R2 |
|-----------|------|------|------|------|------|
| NCDEX Dec | 1420 | 1423 | 1433 | 1445 | 1449 |

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX December contract above 1432, T1-1442 and stop loss below 1427.

SPOT MARKET PRICES [Not Reported -NR]

| Centers | Market | 22.11.06 | 21.11.06 | Change | Arrivals (Bags) |
|-------------|--------|-----------|-----------|--------|---|
| Indore | Plant | 1400-1425 | 1400-1425 | 0 | 10,000 - Indore 3.75 to 4 lakh - MP |
| Indore | Mandi | 1360-1390 | 1360-1390 | 0 | |
| Maharashtra | Plant | 1435-1440 | 1435-1450 | -10 | 1 to 1.25 lakh |
| Maharashtra | Mandi | 1380-1410 | 1380-1400 | +10 | |
| Kota | Plant | 1420-1435 | 1430-1450 | -15 | 8000 to 9000 - Kota 50,000 -Rajasthan. |
| Kota | Mandi | 1380-1385 | 1380-1395 | -10 | |

MUSTARD

FUNDAMENTALS:

The open market rates for mustard seed stood at Rs 1880/qt. NAFED kept the rates intact similar to the one that was quoted yesterday. Slight indecisiveness in yesterday's futures market was well reflected on spot market sentiments as rates are hovering at a lifetime high levels. Few of the millers and local processors were reluctant to purchase seeds at high price levels. Sowing for mustard seeds is almost complete and crop production for this Rabi season now depends on weather situation during ensuing winter season. A decline in Rabi production is likely despite complete sowing, due to relative decline in acreage for mustard in UP and Haryana. Thus firming up sentiments at few places. The NCDEX Dec contract traded with bullish sentiments. Static higher open market price amidst good demand for rapeseed meal in domestic market, accounted for firmness observed for mustard futures.

PRICE DRIVERS:

1. Steady demand in physical markets.
2. Sole availability of mustard seeds with NAFED.
3. NAFED selling seeds at Rs 1880/qt.
4. Decline in Rapeseed production can't be ruled out.
5. Gradually depleting private seed stocks.

WEATHER

Weather is conducive for mustard crop in Rajasthan.

TECHNICALS

Unfilled candlestick indicates bullish market sentiments. Stochastic is in overbought region and has made bullish cross over thus indicating for firmness ahead. MACD is showing some increase in bullish momentum. The prices closed above 9 day and 18 day EMA shows firmness. Volume declined and OI remained almost steady.



SUPPORT / RESISTANCES:

| Contract | S2 | S1 | PCP | R1 | R2 |
|-----------|-----|-----|--------|-----|-----|
| NCDEX Dec | 400 | 403 | 406.20 | 410 | 415 |

TRADE RECOMMENDATION:

Buy NCDEX December contract above 405, T1-408 and stop loss above 403.

Status of Price & Supply of Mustard (Rs./Qtl)

| Markets | 22.11.06 | 21.11.06 | Change | Arrivals (Bags) |
|----------------------|-----------|-----------|--------|------------------------------|
| Jaipur (C) | 2010-2020 | 2000-2020 | 0 | 13,000 to 15,000 -Rajasthan. |
| Alwar(C) | 1915-1920 | 1900 | +20 | 700-800 |
| Delhi(C) | 2035 | 2000-2050 | -15 | 800-1000 |
| Agra(C)/Katchi Ghani | 2125/5000 | 2125/5000 | 0 | - |
| Sri Ganganagar (NC) | 1800 | 1750-1775 | +25 | 200-300 |
| Kota (NC) | 1800 | 1790-1800 | 0 | 1000-1500 |

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Spot market sentiments remained steady on account of normal demand from feed industry. Rates for groundnut seeds were quoted at Rs 405 to Rs 410 per 20 Kg for different quality of seeds. Groundnut oil was quoted at 535 to 540 per 10Kg. Arrivals were reported in a range of 80,000 bags to 1,05,000 bags. Demand from livestock industries has started off and would catch pace during second fortnight of this month. This year groundnut production has fallen down due to lower production estimates in Andhra Pradesh belt and Karnataka.

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