

OILSEED DAILY

SOYBEAN

November 6th, 2006

FUNDAMENTALS:

Despite weekends, sentiments firmed up on account of continuous demand from stockists, local processors and solvent extraction units. Since demand for soy oil and soy meal would increase for the days to come, offtake from millers and other units firmed up the sentiments. As per the news for edible oil consumption to rise over and above the estimated demand for this oil year, persistent demand from crushing units can't be ruled out in long run. From supply side, harvesting of soybean is almost completed in major soybean growing areas with around 20 to 25% of beans left to be thrashed. Thus arrivals would peak up during weekdays and is unlikely to affect rates amidst firm demand. Since soy futures in the International market were firm amidst weak CPO futures, domestic futures market just followed the suit amidst buying support from traders and speculators alike.

PRICE DRIVERS:

1. Steady arrivals.
2. Millers & stockists building up huge inventories to sustain future demand.
3. Firm soy futures in world market.
4. Estimated demand for edible oil to increase during this oil year.

WEATHER

Weather is reported to be normal in most part of the soybean growing areas.

TECHNICALS

Long opening bozu un-filled candlestick indicates bullish market sentiments. Stochastic is about to make bullish cross over indicating improvement in the market condition. The prices closed above 9 day and 18 day EMA indicating firmness. MACD made bullish cross over with divergence increasing favouring Bull Run. Volume increased sharply while OI remains almost steady.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	1337.2	1343.0	1353.8	1363.2	1371.5

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX December contract above 1350.20, T1-1360.00, and stop loss below 1345.00.

SPOT MARKET PRICES

Centers	Market	04.11.06	03.11.06	Change	Arrivals (Bags)
Indore	Plant	1275-1285	1240-1260	+25	10,000 -15,000 - Indore 4,50,000 - MP
Indore	Mandi	1230-1240	1210-1220	+20	
Maharashtra	Plant	1285-1325	1300-1310	+15	1,50,000 to 2,00,000
Maharashtra	Mandi	1190-1210	1170-1200	+10	
Kota	Plant	1285-1300	1280-1290	+10	25,000 to 30,000 -Kota 1,00,000 - 1,10,000 Rajasthan
Kota	Mandi	1230-1250	1240-1255	-5	

MUSTARD

FUNDAMENTALS:

Spot market sentiments showed mixed sentiments with slight bearish undertone. Rates improved at Alwar and Sri Ganganagar due to persistent demand from stockists at open market price as declared by NAFED. However bearish sentiments prevailed in Delhi, Kota and Jaipur due to lack of active trading, as most of the mandis remain virtually inactive during second half. Due to foreseen demand for edible oil consumption and rapeseed meal, demand from stockists and millers for regular offtake would keep the demand persistent in long run. At the same time expected decline in production for Rabi mustard also supported the demand to few extent. Domestic futures market showed slightly bearish sentiments as rates crashed in Delhi exchange and NCDEX. However in Hapur, sentiments remained steady. Speculators and traders are expecting rates to stabilize for coming days.

PRICE DRIVERS:

1. Average demand in physical markets.
2. Lack of active trading in futures market.
3. NAFED selling seeds slightly above MSP.

WEATHER

Weather seems to be conducive for mustard crop in Rajasthan.

TECHNICALS

Long upper and short lower shadow of the Doji candlestick indicating indecisive market sentiments. Stochastic is moving southward with wide divergence indicating slackness in market. MACD converging down for possible bearish cross over. The prices closed above 9 day and 18 day EMA indicating bullish market sentiments. Volume remained steady and OI decline marginally.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	366.1	367.7	369.25	373.1	374.7

TRADE RECOMMENDATION:

Buy NCDEX December contract above 369.60, T1-371.20 and stop loss below 368.00.

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

Markets	04.11.06	03.11.06	Change	Arrivals (Bags)
Jaipur (C)	1825-1840	1825-1855	-15	3000 - Jaipur 10,000 - 15,000 - Raj
Alwar(C)	1780-1795	1760-1780	+15	800-900
Delhi(C)	1840-1855	1865-1870	-15	300-400
Agra(C)/Katchi Ghani	1950/4450	1950/4400	0	-
Sri Ganganagar (NC)	1615-1625	1600-1610	+15	300-350
Kota (NC)	1700-1730	1700-1740	-10	400- 500

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Spot market sentiments showed steady sentiments with marginal improvement in rates amidst normal demand. Rates for groundnut seeds were quoted at Rs 388 per 20 Kg up by Rs 4 in comparison to last days price. Groundnut oil was quoted 2 Rs higher and now stands at 512 per 10Kg on account of demand from crushing mills to meet domestic feed demands. Arrivals were reported to a tune of 1.75 lakh bags. Arrivals for groundnuts are likely increase by first fortnight of November. Demand from livestock industries has started off and would catch pace during ensuing weekdays.

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