

## OILSEED DAILY

### SOYBEAN

November 25<sup>th</sup>, 2006

#### FUNDAMENTALS:

Spot market sentiments firmed up at few places due to offtake by stockists. Activity of millers and processing units in terms of offtake was largely on average note due to decrease in crushing margin for soymeal. The Indian soymeal is offered at rates higher than International prices thus allowing overseas suppliers an upper hand in terms of competitive pricing. Producers have sold off most of the beans in the market and still hold back enough stocks to sell off when rates are lucrative. The measure has been taken at the backdrop of edible oil consumption to increase for ensuing oil year. The NCDEX Dec contract traded with bearish sentiments on account of weak demand for soy meal & soy oil in domestic market. Profit booking during second half was well observed phenomenon.

#### PRICE DRIVERS:

1. Steady soy oil & soymeal demand in domestic market.
2. Relative lesser offtake by processing units.
3. Relative decline in base arrivals.
4. Stockpiling reported to be continuous.

#### WEATHER:

Weather is reported to be clear and dry to continue arrivals, however slight rainfall has been reported over some areas in Maharashtra.

#### TECHNICALS

Dark candlestick indicates predominant selling interest. MACD surging ahead in overbought region is indicating for gain in positive momentum. However stochastic has made bearish crossover in overbought region possibly indicating further technical corrections. The prices closed above 9 day and 18 day EMA shows firmness. Volume declined and OI improved marginally.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	1398	1407	1418.5	1444	1450

#### TRADE RECOMMENDATION: (Intraday)

Sell NCDEX December contract below 1426, T1-1414 and stop loss above 1435.

#### SPOT MARKET PRICES [Not Reported -NR]

Centers	Market	24.11.06	23.11.06	Change	Arrivals (Bags)
Indore	Plant	1420-1430	1400-1425	+5	8000- 10,000 - Indore 3 lakhs - MP
Indore	Mandi	1375-1400	1360-1390	+10	
Maharashtra	Plant	1450	1440-1450	0	1 to 1.4 lakh
Maharashtra	Mandi	1380-1410	1400-1425	-15	
Kota	Plant	1400-1430	1410-1430	0	9000 to 11,000 -Kota 40,000 - 50,000 - Rajasthan.
Kota	Mandi	1350-1375	1360-1380	-5	

## MUSTARD

### FUNDAMENTALS:

The open market rates for mustard seed [last years stocked seeds] declared by NAFED stood at Rs 1885 per quintal. The rates were Rs 5 cheaper to previously quoted rates. Offtake increased on account of relaxation in prices to a marginal extent. Mustard acreage giving way to pulses and cereals can't be ruled out and thus affirming estimated decline in Rabi oilseed output for this year. The very observation amidst off-season availability of seeds with NAFED would keep the sentiments on a firm note for the days to come. Offtake by stockists was good at few places on account of relatively lower market prices. As per the traders, hike in rates at major spot markets was due to widespread speculation activity. The NCDEX Dec contract traded with bearish sentiments on account of profit booking by most of the traders. However, demand for rapeseed meal and edible oil would keep the rates from falling down further.

### PRICE DRIVERS:

1. Steady demand in physical markets.
2. Sole availability of mustard seeds with NAFED.
3. NAFED selling seeds at Rs 1885/qt.
4. Mustard acreage giving way to pulses and cereals.
5. Stock piling reported continuous.

### WEATHER

Dry weather over the region is conducive for mustard crop.

### TECHNICALS

Dark spinning top formation indicates certain level of indecisiveness ahead. Stochastic and MACD are in overbought region thus showing positive momentum ahead. However stochastic is about to curve down, possibly indicating for further corrections. The prices closed above 9 day and 18 day EMA shows firmness. Volume declined and OI remained steady.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	398	400	406	408	411

### TRADE RECOMMENDATION:

**Buy** NCDEX December contract above 402, T1-406 and stop loss below 400.

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

Markets	24.11.06	23.11.06	Change	Arrivals (Bags)
Jaipur (C)	2015-2020	2020-2025	-5	15,000 to 20,000 -Rajasthan.
Alwar(C)	1930-1940	1890-1900	+40	600-700
Delhi(C)	2050	2040	+10	450-500
Agra(C)/Katchi Ghani	2150/5000	2125/5000	+25	-
Sri Ganganagar (NC)	1765-1770	1775-1780	-10	200-250
Kota (NC)	1830-1840	1820-1840	0	-

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET

Spot market sentiments improved further on account of good demand from feed industry and steady soymeal in do. Rates for groundnut seeds were quoted at Rs 415 to Rs 420 per 20 Kg for different quality of seeds. Groundnut oil was quoted at 540 to 545 per 10Kg. Arrivals were reported in a range of 80,000 bags to 1,20,000 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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