

OILSEED DAILY

SOYBEAN

November 22nd, 2006

FUNDAMENTALS:

Considerable decrease in base arrivals amidst good physical demand firmed up the sentiments for soybean at major spot markets. Producers, stockists, millers have stocked good amount of beans, each one having their own vested interest. Higher open market rates for soybean have led to speculation and stockpiling so as to sell off beans when returns are maximum. Spot market demand for soymeal from livestock industry gave leverage to hike in spot market prices amidst limited soybean supply at spot markets. Large processing units and solvent extraction plants have been reported to procured major chunk of beans directly from farm gate. The NCDEX Dec contract traded with bullish sentiments on account of good demand for soy meal & soy oil in domestic markets, besides firm soy futures in overseas. Good physical demand further supported the upward price movement in futures market.

PRICE DRIVERS:

1. Good demand in physical markets.
2. Firm soy oil & soymeal 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 with longer upper shadow indicates bullish market sentiments but largely indecisive. MACD is moving up in overbought region. Stochastic has made a bearish cross over in overbought region indicating technical corrections ahead. The prices closed above 9 day and 18 day EMA shows firmness. Volume declined and OI increased marginally.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	1408	1418	1429.90	1452	1460

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX December contract above 1433, T1-1446 and stop loss below 1424.

SPOT MARKET PRICES [Not Reported -NR]

Centers	Market	21.11.06	20.11.06	Change	Arrivals (Bags)
Indore	Plant	1400-1425	1360-1400	+25	10,000 - Indore 3.5 to 4 lakh - MP
Indore	Mandi	1360-1390	NR	-	
Maharashtra	Plant	1435-1450	1400-1420	+30	1.5 to 2 lakh
Maharashtra	Mandi	1380-1400	NR	-	
Kota	Plant	1430-1450	1390-1410	+40	8000 to 9000 -Kota 50,000 -Rajasthan.
Kota	Mandi	1380-1395	NR	-	

MUSTARD

FUNDAMENTALS:

NAFED's revised quote for rapeseed stood at Rs 1880/qt for seeds stocked during 2005-06. Yet again, registering a hike of Rs 5 over previously quoted rates. Yesterday's firm sentiment for mustard futures in domestic market was well reflected in today's spot market sentiments. Sentiments firmed amidst regular crushing and continuous offtake by millers and stockists. Although enough carry forward stock is available with NAFED, still it would retain optimum levels for next year. The view behind retaining seeds by NAFED is to adjust for any unseen contingency. The NCDEX Dec contract opened up higher but reflected selling interest after post lunch session. Periodic upward price revision by NAFED amidst decline in arrivals at spot markets, 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 seems to be conducive for mustard crop in Rajasthan.

TECHNICALS

Dark spinning top formation just ahead of white candlestick indicates indecisiveness. Stochastic is in overbought region and has made bearish cross over thus indicating for slight corrections 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 registered marginal hike.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	397	400	405.50	410	416

TRADE RECOMMENDATION:

Buy NCDEX December contract above 404, T1-408 and stop loss above 401.

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

Markets	21.11.06	20.11.06	Change	Arrivals (Bags)
Jaipur (C)	2000-2020	1990-2000	+20	10,000 to 15,000 -Rajasthan.
Alwar(C)	1900	1890-1900	0	1000-1100
Delhi(C)	2000-2050	1990-2000	+50	400-500
Agra(C)/Katchi Ghani	2125/5000	2100/4850	+25	-
Sri Ganganagar (NC)	1750-1775	1710-1715	+60	200-300
Kota (NC)	1790-1800	1730-1760	+40	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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