

## OILSEED DAILY

### SOYBEAN

November 28<sup>th</sup>, 2006

#### FUNDAMENTALS:

Spot market sentiments firmed up at few places due to good demand from processing units, millers amidst steady arrivals. Since Multi-National Companies [MNC] are buying seed lots in good volumes, the relative offtake by stockists have declined to considerable extent. The very observation has kept the demand firm amidst an upsurge in open market prices of soybean. Decline in arrivals of beans reported from Maharashtra is driving the prices up, as demand remains intact. Whereas the demand for soymeal and soy oil has witnessed a seasonal hike and is likely to drive the market sentiments for the days to come. The NCDEX Dec contract traded with slightly bullish sentiments on account of firm soymeal and soy oil in domestic markets. Steady trend observed at major spot markets is likely to keep the soybean futures trade range bound.

#### PRICE DRIVERS:

1. Firm soy oil & soymeal demand in domestic market.
2. Unavailability of ready stock of beans.
3. Relative decline in base arrivals.
4. Stockpiling reported to be continuous.
5. Major offtake by Multi National Companies.

#### WEATHER:

Weather is reported to be clear and dry to continue arrivals.

#### TECHNICALS

Candlestick with a prominent upper shadow and small real body indicates higher buying interest amidst certain level of indecisiveness. Stochastic is moving down, possibly indicating bearish sentiments ahead. MACD reflects slight gain in positive momentum. The prices closed above 9 day and 18 day EMA shows firmness. Volume increased considerably whereas OI declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	1423	1427	1431.50	1438	1442

#### TRADE RECOMMENDATION: (Intraday)

**Sell** NCDEX December contract below 1434, T1-1430 and stop loss above 1436.

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

Centers	Market	27.11.06	25.11.06	Change	Arrivals (Bags)
Indore	Plant	1420-1430	1420-1430	0	6000- 8,000 - Indore 2.9 to 3.25 lakhs - MP
Indore	Mandi	1380-1400	1360-1400	0	
Maharashtra	Plant	1450-1455	1450-1455	0	1.2 to 1.5 lakh
Maharashtra	Mandi	1390-1430	1375-1410	+20	
Kota	Plant	1420-1435	1415-1430	+5	7,000 9,000 -Kota 35,000 - 40,000 - Rajasthan.
Kota	Mandi	1370-1385	1355-1380	+5	

## MUSTARD

### FUNDAMENTALS:

The open market rates for mustard seed [last years stocked seeds] declared by NAFED stood at Rs 1880 per quintal. The rates were Rs 10 cheaper to previously quoted rates. Spot market sentiments favoured open market prices revised by NAFED. Amidst steady arrivals of mustard seeds, continuous demand from millers and stockists firmed up the spot market sentiments. Buyers were willing to buy more under assumption that prices may get dearer again at any point of time. The NCDEX Dec contract traded with bearish sentiments mainly favoring selling interests amidst slight support for buying during later half of trading. Slightly firm spot market sentiments prevented mustard futures from falling down further.

### PRICE DRIVERS:

1. Offtake by large processing units and stockists.
2. Sole availability of mustard seeds with NAFED.
3. NAFED selling seeds at Rs 1880/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 candlestick with a small upper shadow indicates bearish sentiments. However stochastic has curved down, indicating bearish sentiments for the days to come. The prices closed above 9 day and 18 day EMA shows firmness. Volume increased marginally and OI remained steady.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	398	400	404.3	407	409

### TRADE RECOMMENDATION:

Buy NCDEX December contract above 404, T1-406 and stop loss below 402.

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

Markets	27.11.06	25.11.06	Change	Arrivals (Bags)
Jaipur (C)	2020-2025	2010-2015	+10	5,000 to 8,000 -Rajasthan.
Alwar(C)	1940-1950	1950	0	600-800
Delhi(C)	2040-2050	2040-2045	+5	550-650
Agra(C)/Katchi Ghani	2125/5000	2150/5000	-25	-
Sri Ganganagar (NC)	1765-1770	1760-1765	+5	200-450
Kota (NC)	1850-1870	1840-1860	+10	-

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET

Spot market sentiments remained steady due to steady demand from millers and feed meal industry. Rates for groundnut seeds were quoted at Rs 405 to Rs 4100 per 20 Kg for different quality of seeds. Groundnut oil was quoted at 545 to 548 per 10Kg. 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 in Andhra Pradesh belt and Karnataka region.

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