

OILSEED DAILY

SOYBEAN

November 18th, 2006

FUNDAMENTALS:

Major spot markets witnessed range bound sentiments due to steady physical demand. Due to relative decrease in base arrivals in Rajasthan and MP it was expected that rates would register yet another hike but remained similar to one that existed the previous day. Average to steady demand for soymeal in domestic and world market is said to be easing down regular quantum of offtake by millers and stockists. Acute congestion at ports has delayed consignments of soymeal to export destinations. The buffer stock available with solvent extraction units is enough to meet demand for soy oil. The NCDEX Dec contract favoured buying interest. Firm soy oil in domestic market further strengthened the market sentiments at the back- drop of domestic edible oil consumption to increase for this oil year.

PRICE DRIVERS:

1. Decline in regular offtake of beans by stockists and processing plants.
2. Steady soy oil in domestic market.
3. Bearish soy futures in overseas markets.
4. Relative base arrivals declined considerably amidst normal demand.
5. Domestic edible oil consumption to increase for this oil year.

WEATHER:

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

TECHNICALS

Small-unfilled candlestick with short upper shadow and slightly long lower shadow indicates bullish market sentiments amidst inclination for selling. MACD is moving up in overbought region indicating for slight correction. Stochastic is moving upwards indicating for positive momentum ahead. Volume declined and OI increased marginally.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	1383.14	1387.08	1395.20	1407.4	1416.3

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX December contract near 1392.06, T1-1398.68, T2-1402.42 and stop loss below 1389.26.

SPOT MARKET PRICES

Centers	Market	17.11.06	16.11.06	Change	Arrivals (Bags)
Indore	Plant	1365-1380	1360-1380	0	7000- 8,000 - Indore 3,50,000 -4,00,000 - MP
Indore	Mandi	1330-1350	1330-1350	0	
Maharashtra	Plant	1400-1410	1415-1420	-10	1,50,000 to 1,90,000
Maharashtra	Mandi	1360-1390	1360-1380	+10	
Kota	Plant	1375-1385	1375-1385	0	12,000 to 15,000 -Kota 65,000 - 70,000 Rajasthan
Kota	Mandi	1320-1340	1330-1340	0	

MUSTARD

FUNDAMENTALS:

The open market price for new stock of mustard at Jaipur & Ganganagar was revised marginally and stood at Rs 1865/qt to Rs 1870/qt and Rs 1780/qt respectively. Physical demand at major spot markets was nominal owing to continuous upward revision of prices. Most of the buyers were reluctant to purchase seeds, however large processing units continued offtake of seeds. Stocking was not reported on date. Upward revision of prices didn't had much affect on crushing as large processing units have piled up sufficient stocks for crushing to last for the coming days, however demand would pick up gradually with dwindling private seed stocks. The NCDEX Dec contract reflected bullish sentiments due to speculative buying by traders. Slight upward revision of prices by NAFED favoured buying interest, however bearish sentiments in physical markets suggest for prices to become stable.

PRICE DRIVERS:

1. Steady demand in physical markets.
2. Sole availability of mustard seeds with NAFED.
3. NAFED selling seeds at Rs 1870/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

Unfilled candlesticks indicate for bullish market sentiments. Stochastic has made a bullish cross over indicating for slight bullishness ahead. MACD is also showing some increase in bullish momentum but is curved down possibly for some corrections later. The prices closed above 9 day and 18 day EMA shows firmness. Volume declined and OI scaled up marginally.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	392.90	394.84	402.40	406.26	409.83

TRADE RECOMMENDATION:

Sell NCDEX December contract below 401.23, T1-397.26 and stop loss above 403.10.

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

Markets	17.11.06	16.11.06	Change	Arrivals (Bags)
Jaipur (C)	1980-1985	2005-2010	-25	7000 to 8000 -Rajasthan.
Alwar(C)	1875-1880	1920-1930	-50	1000-1200
Delhi(C)	1995-2000	2000-2020	-20	700-800
Agra(C)/Katchi Ghani	2100/4900	2100/4900	0	-
Sri Ganganagar (NC)	1705-1710	1715-1720	-10	250-350
Kota (NC)	1700-1750	1760-1780	-30	1000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Spot market sentiments remained steady on account of weak demand from feed industry. Rates for groundnut seeds were quoted at Rs 395 to Rs 305 per 20 Kg for different quality of seeds. Groundnut oil was quoted at 525 per 10Kg, an improvement of Rs 5 over previous days price. Arrivals were reported in a range of 70,000 to 80,000 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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