

OILSEED DAILY

SOYBEAN

November 14th, 2006

FUNDAMENTALS:

Market sentiments favored buying interest, as numbers of sellers were comparatively less than number of buyers. Medium scales to large-scale producers are holding back stocks of bean on account of selling it later, when prices are more lucrative. Restricted selling from stockists amidst continuous demand from millers, local processors have kept the prices firm. The buffer stock of beans with solvent extraction units & millers is dwindling and would not sustain in a long run. On this account offtake has been continuous thus keeping the prices up. Moreover the base arrivals of beans during this month are relatively steady as compared to arrivals noticed last year. The base arrivals in MP was around 6 to 7 lakh bags which has considerably reduced to 3 to 4.5 lakh bags for this oil year. The relative decrease in arrivals at the back -drop of good and continuous demand for soy oil and soy meal in domestic and world market kept the sentiments bullish. The NCDEX Dec contract favoured buying interest on account of firm soy oil in domestic market and continuous offtake of soybean at open market prices.

PRICE DRIVERS:

1. Good demand for soy oil in domestic market.
2. Private buffer stock for soybean would gradually decline.
3. Firm soy meal futures in overseas markets.
4. Relative base arrivals declined considerably.

WEATHER:

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

TECHNICALS

Small filled candlestick with long upper shadow indicates certain level of bullishness. Stochastic is showing the market is in overbought region and needs some correction. MACD inclining with little divergence indicating bullish sentiments likely to continue. The widening gap between 9 day and 18 day EMA is indicating for positive momentum. Volume and OI increased marginally.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	1377.7	1382.3	1387.00	1394.2	1401.5

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX December contract near 1376.00, T1-1385.00, and stop loss below 1365.00.

SPOT MARKET PRICES

Centers	Market	13.11.06	11.11.06	Change	Arrivals (Bags)
Indore	Plant	1360-1380	1300-1350	+30	10,000 - Indore 3,50,000 -4,25,000 - MP
Indore	Mandi	1325-1340	1300-1320	+20	
Maharashtra	Plant	1400-1420	1360-1390	+30	1,50,000 to 2,00,000
Maharashtra	Mandi	1360-1370	1325-1350	+20	
Kota	Plant	1370-1380	1350-1360	+20	15,000 to 25,000 -Kota 1,00,000 - 1,25,000 Rajasthan
Kota	Mandi	1310-1330	1290-1320	+10	

MUSTARD

FUNDAMENTALS:

The open market price for new stock of mustard seed was quoted at Rs 1760/qt. A decrease in expected arrivals largely affected the spot market sentiments amidst continuous offtake by millers and stockists alike. Restricted selling from stockists again supported the price trend witnessed in major spot markets. Stockpiling is continuous due to foreseen demand for edible oil, rapeseed meal and approaching marriage season ahead. Traders and stockists are of the notion to hold back the seed stocks so as to sell off when demand would reach its peak level. Demand and supply condition now depends mostly on available stock with NAFED as private stocks are reported to have been used up. The NCDEX Dec contract well followed the revised MSP by NAFED. Dwindling private seed stock, stockpiling and firm demand amidst projected decline in rapeseed production further supported the bullish sentiments in futures market.

PRICE DRIVERS:

1. Normal demand in physical markets.
2. Higher buying interest in futures market.
3. NAFED selling seeds over & above MSP.
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

Un-filled candlestick with short upper shadow indicates certain level of bullishness. Stochastic is making a bullish cross over indicating for slight bullishness ahead. The narrowing of gap between 9 day and 18 day EMA is indicating for momentum likely to become steady, however volume and OI increased marginally.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	382.0	385.0	388.0	390.45	392.9

TRADE RECOMMENDATION:

Buy NCDEX December contract near 381.36, T1-383.60 and stop loss below 378.00.

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

Markets	13.11.06	11.11.06	Change	Arrivals (Bags)
Jaipur (C)	1870-1900	1860-1865	+35	15,000 -Rajasthan.
Alwar(C)	1800-1825	1790-1800	+25	1000-1500
Delhi(C)	1880-1900	1865-1870	+30	300-400
Agra(C)/Katchi Ghani	1950/4550	2000/4600	-50	-
Sri Ganganagar (NC)	1640-1650	1625-1630	+20	300-350
Kota (NC)	1650-1665	1620-1650	+15	1000-1200

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Spot market sentiments remained similar to one that existed during previous weekends. Due to firm veg oil in domestic markets, groundnut followed the suit. Besides this demand from feed industry is also supporting spot market sentiments. Rates for groundnut seeds were quoted at Rs 395 per 20 Kg. Groundnut oil was quoted at 525 per 10Kg. Arrivals were reported in a range of 1.5 to 1.75 lakh 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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