

OILSEED DAILY

SOYBEAN

November 21st, 2006

FUNDAMENTALS:

No trading was reported across major spot markets on account of Amavasya, except for marginal arrivals reported from Rajasthan. Offtake of beans from stockists and other intermediaries continued from most of the processing & solvent extraction units. Amidst virtual scarcity of soybean for a day and improved demand for soymeal in domestic market, rates picked up at the backdrop of continuous crushing. Processing units have enough buffers continue crushing but do maintain critical levels by regular offtake. Volumes of beans supplied to mandis would increase tomorrow adding up today's stock over it. The NCDEX Dec contract traded with bullish sentiments on account of good demand for soy meal & firm soy oil in domestic markets. Firm soy futures at CBOT besides firm CPO at BMD gave additional support to domestic soybean futures. Profit booking during post lunch session declined the open interest.

PRICE DRIVERS:

1. Spot markets remained closed.
2. Firm soy oil & soymeal in domestic market.
3. Firm soy future and CPO in overseas,
4. Normal offtake by processing units.
5. No arrivals reported on account of Amavasya.

WEATHER:

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

TECHNICALS

Long unfilled candlestick indicates bullish market sentiments. MACD is moving up in overbought region indicating for slight correction as it has touched its lifetime high value. Stochastic is steady at overbought region. Volume increased considerably and OI declined marginally.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	1388	1396	1427	1439	1445

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX December contract above 1415, T1-1435 and stop loss below 1402.

SPOT MARKET PRICES [Not Reported -NR]

Centers	Market	20.11.06	18.11.06	Change	Arrivals (Bags)
Indore	Plant	1360-1400	1370-1385	+15	NR
Indore	Mandi	NR	1325-1360	-	
Maharashtra	Plant	1400-1420	1400-1410	+10	NR
Maharashtra	Mandi	NR	1360-1390	-	
Kota	Plant	1390-1410	1375-1380	+30	NR 10,000 -Rajasthan.
Kota	Mandi	NR	1310-1320	-	

MUSTARD

FUNDAMENTALS:

NAFED's revised quote for rapeseed stood at Rs 1875/qt for seeds stocked during 2005-06. A hike of Rs 5 over previously quoted rates. Both the arrivals and demand for mustard seeds registered slight improvement over previous weeks figures. Spot market sentiments firmed up amidst upward price revisions, as regular crushing requires continuous offtake by millers and stockists. The demand and supply conditions normally rely on sole availability of seeds with NAFED and private seed stocks. 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 keep adequate demand and supply conditions to prevail in the open market. The NCDEX Dec contract ended up high due to buying support. At Delhi and Hapur exchange, traders are selling off Nov mustard futures and buying Feb contracts. Declining private seed stocks and continuous demand for seeds from processing units firmed up the sentiments further.

PRICE DRIVERS:

1. Steady demand in physical markets.
2. Sole availability of mustard seeds with NAFED.
3. NAFED selling seeds at Rs 1875/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

Long un-filled candlesticks indicate for bullish market sentiments. 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 increased considerably but OI remained steady.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	394	398	404.90	410	414

TRADE RECOMMENDATION:

Buy NCDEX December contract above 403, T1-408 and stop loss above 400.

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

Markets	20.11.06	18.11.06	Change	Arrivals (Bags)
Jaipur (C)	1990-2000	1980-1985	+15	16,000 to 20,000 -Rajasthan.
Alwar(C)	1890-1900	1880-1900	0	1000-1200
Delhi(C)	1990-2000	1985-1990	+10	600-700
Agra(C)/Katchi Ghani	2100/4850	2100/4900	0	-
Sri Ganganagar (NC)	1710-1715	1695-1700	+15	300-400
Kota (NC)	1730-1760	1720-1750	+10	-

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 403 to Rs 405 per 20 Kg for different quality of seeds. Groundnut oil was quoted at 533 per 10Kg, an improvement of Rs 3 over previous days price. Arrivals were reported in a range of 80,000 bags to 1,25,000 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.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.