

OILSEED DAILY

SOYBEAN

November 9th, 2006

FUNDAMENTALS:

Light showers and hailstorms during last night over Malwa & few areas of Maharashtra affected the arrivals considerably. Continuous demand from stockists and millers under limited supply conditions hiked the rates at mandis & processing plants. Since weather has improved as on date thus indicating assured normal supply for the days to come. Firm soy futures in overseas market overnight & nearly bullish trend for soy oil in domestic market helped in giving additional support to spot market prices. At NCDEX, speculative and local buying support helped the soybean futures to climb up during mid-session. Later in the absence of any fresh inputs, prices remained range bound but slightly on the higher side continuing its upward trend.

PRICE DRIVERS:

1. Good demand for soy oil in domestic market.
2. Millers & stockists building up huge inventories to sustain future demand.
3. Firm soy complex in overseas.
4. Light showers and hailstorms last night impacted arrivals at few locations.

WEATHER:

Under the influence of easterly waves the rainfall activity would now shift to Southern states, thus clearing the sky over central India. Weather is likely to be normal now over soybean grown areas.

TECHNICALS

Un-filled candlestick with long body indicates bullish market sentiments. Stochastic is in overbought region and made bearish cross over indicating possible correction at these levels. The prices closed above 9 day and 18 day EMA indicating firmness. MACD is running parallel and remain above its trigger line indicating firmness. Volume and open interest remain almost steady.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	1337.1	1345.5	1354.0	1359.8	1365.0

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX December contract near 1350.00, T1-1359.00, and stop loss below 1346.00.

SPOT MARKET PRICES

Centers	Market	08.11.06	07.11.06	Change	Arrivals (Bags)
Indore	Plant	1280-1300	1270-1280	+20	15,000 -18,000 - Indore 3,50,000 - 4,00,000 - MP
Indore	Mandi	1250-1265	1225-1250	+15	
Maharashtra	Plant	1300-1325	1300-1320	+5	1,00,000 to 1,40,000
Maharashtra	Mandi	1285-1300	1225-1270	+30	
Kota	Plant	1320-1325	1300-1315	+10	20,000 to 25,000 -Kota 1,20,000 - 1,40,000 Rajasthan
Kota	Mandi	1260-1290	1260-1280	+10	

MUSTARD

FUNDAMENTALS:

Rapeseed acreage had witnessed a considerable downfall in Rajasthan. Trend for this Rabi season favours wheat, chickpea, spices & winter vegetables as most of the producers have taken up this 'alternate shift of cultivation' to suffice for foreseen loss in rapeseed production. The very observation has prompted stockpiling, so as to sell it off when prices would firm up during peak harvesting period for Rabi mustard. Thus offtake by millers and stockists was again a regular phenomenon slating for a normal demand. The revised rates for mustard by NAFED stands at Rs 1675/qt to Rs 1710/qt for old & new stocks respectively. Since open market prices; at the back- drop of good carry forward stock, have eased up well below the MSP & the spot market prices adjusted accordingly. The futures market declined sharply on account of open market price well below MSP. Higher selling interest and profit booking continued for the Dec contract. The Delhi futures declined sharply underpinning the NCDEX futures further.

PRICE DRIVERS:

1. Average demand in physical markets.
2. Higher selling interest in futures market.
3. NAFED selling seeds well below MSP.
4. Decline in Rapeseed production can't be ruled out.

WEATHER

Weather seems to be conducive for mustard crop in Rajasthan.

TECHNICALS

Short filled body with long upper and lower shadow indicates spindle top formation indicating indecisive market sentiments. Stochastic is moving downward with divergence indicating weak market sentiments. MACD made bearish cross over with wide divergence indicating bearish sentiments likely to continue. The prices closed above 9 day and 18 day EMA indicating slight improvement. Volume and OI decline slightly.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	372.3	374.1	378.85	379.9	382.0

TRADE RECOMMENDATION:

Sell NCDEX December contract below 378.10, T1-376.00 and stop loss below 379.30.

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

Markets	08.11.06	07.11.06	Change	Arrivals (Bags)
Jaipur (C)	1835-1840	1840-1845	-5	2500 - Jaipur 8,000 - 10,000 -Rajasthan.
Alwar(C)	1760-1770	1770-1780	-10	100-1500
Delhi(C)	1860	1865	-5	250-300
Agra(C)/Katchi Ghani	1975/4550	1975/4500	0	-
Sri Ganganagar (NC)	1610-1615	1610-1620	-5	300-350
Kota (NC)	1660-1680	1660-1690	-10	700-900

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

The slight recoveries in rates were noted for groundnut oil on account of firm veg oil in overseas market and steady supply conditions. Other factors that accounted for slight improvement were due to a decrease in acreage by around 18%, lower production estimate in Andhra belt and shifting of groundnut acreage to more remunerative oilseed crop notably in Gujarat. Rates for groundnut seeds were quoted at Rs 390 -398 per 20 Kg. Groundnut oil was quoted 3 Rs higher and now stands at 515 per 10Kg. Arrivals were reported to a tune of 1.5 lakh bags. Arrivals for groundnuts are likely increase by first fortnight of November. Demand from livestock industries has started off and would catch pace during ensuing weekdays.

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