

## OILSEED DAILY

### SOYBEAN

November 24<sup>th</sup>, 2006

#### FUNDAMENTALS:

Steady soymeal sentiments in domestic market besides firm soy oil decided spot market sentiments. Although few of the buyers were reluctant to purchase seeds at higher prices, offtake from millers and processing units kept the demand intact. Major offtake of beans from seed industries kept the rates firm. Stocking of beans by seed industries is done well in advance so as to suffice for projected downfall in overall oilseed production this year. Thus stockists, millers, seed industries, solvent extraction units, and intermediaries would keep intact the demand pressure for the days to come. At the other end, producers have sold off most of the beans in the market and do hold back around one-tenth of their produce as seeds & for consumptive demand. Producers too have stocked up relative higher proportion of beans thus creating tight supply position in the market. The measure has been taken at the backdrop of edible oil consumption to increase for ensuing oil year. The NCDEX Dec contract traded with bullish sentiments on account of firm soy futures in overseas market but closed on an indecisive note due to lack of buying support at higher price levels. Firm soy oil in domestic market gave additional support to soybean futures.

#### PRICE DRIVERS:

1. Firm soy oil & steady soymeal demand in domestic market.
2. Firm soy future in overseas.
3. Normal offtake by processing units.
4. Relative decline in base arrivals.

#### WEATHER:

Weather would be normal in most of the soybean growing

#### TECHNICALS

Small real body indicates slight indecisiveness in the market. Stochastic & MACD surging ahead in overbought region is indicating for gain in positive momentum. The prices closed above 9 day and 18 day EMA shows firmness. Both volume and OI declined considerably.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	1410	1415	1429.70	1442	1448

#### TRADE RECOMMENDATION: (Intraday)

Buy NCDEX December contract above 1427, T1-1438 and stop loss below 1420.

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

Centers	Market	23.11.06	22.11.06	Change	Arrivals (Bags)
Indore	Plant	1400-1425	1400-1425	0	7000- 8,000 - Indore 3.50 to 4 lakh - MP
Indore	Mandi	1360-1390	1360-1390	0	
Maharashtra	Plant	1440-1450	1435-1440	+10	1 to 1.35 lakh
Maharashtra	Mandi	1400-1425	1380-1410	+15	
Kota	Plant	1410-1430	1420-1435	-5	8000 to 9000 -Kota 35,000 - 50,000 - Rajasthan.
Kota	Mandi	1360-1380	1380-1385	-5	

## MUSTARD

### FUNDAMENTALS:

The open market rates for mustard seed stood at Rs 1890/qt. NAFED hiked Rs 10 over previously quoted rates. A shift in mustard acreage to wheat and pulses in UP and Haryana will considerably reduce mustard seed production for this Rabi season. The very observation would keep the sentiments on a firm note for the days to come. Offtake by stockists was negligible at few places on account of higher ruling market prices and & under expectation to purchase more when rates ease down later. An usual trend noticed for past fortnight states for slight relaxation in price movement increases the demand from small millers and processing units that account for a major share in mustard seed crushing amidst normal offtake by large processing units and stockists. Spot market sentiments at Jaipur well followed price revision by NAFED but reverse trend was observed for other places due to less number of buyers willing to purchase at higher prices. The NCDEX Dec contract traded with bullish sentiments. Steady spot market sentiments is likely to bring slight correction in futures market as traders hesitated to buy at higher prices.

### PRICE DRIVERS:

1. Steady demand in physical markets.
2. Sole availability of mustard seeds with NAFED.
3. NAFED selling seeds at Rs 1890/qt.
4. Rabi mustard acreage shifting to wheat and pulses.
5. Gradually depleting private seed stocks.

### WEATHER

Weather is conducive for mustard crop in Rajasthan except for fall in night temperature by 3 to 4 °C.

### TECHNICALS

Candlestick opened above the previous days closing price indicating bullish market sentiments. However the presence of lower shadow indicates predominating selling interest. Stochastic and MACD are in overbought region thus showing positive momentum ahead. The prices closed above 9 day and 18 day EMA shows firmness. Volume and OI declined.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	398	401	406.05	414	418

### TRADE RECOMMENDATION:

Sell NCDEX December contract below 408, T1-404 and stop loss above 410.

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

Markets	23.11.06	22.11.06	Change	Arrivals (Bags)
Jaipur (C)	2020-2025	2010-2020	+5	8,000 to 10,000 -Rajasthan.
Alwar(C)	1890-1900	1915-1920	-20	700-800
Delhi(C)	2040	2035	+5	300-450
Agra(C)/Katchi Ghani	2125/5000	2125/5000	0	-
Sri Ganganagar (NC)	1775-1780	1800	-20	200-300
Kota (NC)	1820-1840	1800	+40	500-600

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET

Spot market sentiments remained steady on account of normal demand from feed industry. Rates for groundnut seeds were quoted at Rs 410 to Rs 415 per 20 Kg for different quality of seeds. Groundnut oil was quoted at 540 to 545 per 10Kg. Arrivals were reported in a range of 80,000 bags to 1,20,000 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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