

## OILSEED DAILY

### SOYBEAN

November 10<sup>th</sup>, 2006

#### FUNDAMENTALS:

Amidst steady arrivals and firm demand from solvent extraction plants, local processors and millers, rates picked up considerably. Stockpiling, increase in number of consignments for soymeal, firm demand for soy oil in domestic market and local demand from feed industry firmed up spot market sentiments. Crushing of beans & building up buffer stock required for same by the millers was a continuous phenomenon observed thus firming up the demand further. At NCDEX rates firmed up on account of speculative buying support well before much awaited weekly export sales report from USDA. Looking at the broader overview it becomes evident that firm soy futures in overseas market provide additional support to domestic soy futures.

#### 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 & CPO in overseas.
4. Speculative buying in futures market.

#### WEATHER:

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

#### TECHNICALS

Un-filled candlestick with long body indicates bullish market sentiments. Stochastic is in overbought region and declining indicating possible correction at these levels. The prices closed above 9 day and 18 day EMA indicating firmness. MACD is heading northwards with increasing divergence-indicating firmness. Volume increased and open interests remain almost steady.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	1345.0	1360.0	1376.0	1391.0	1405.0

#### TRADE RECOMMENDATION: (Intraday)

Buy NCDEX December contract above 1373.00, T1-1390.00, and stop loss below 1364.50.

#### SPOT MARKET PRICES

Centers	Market	09.11.06	08.11.06	Change	Arrivals (Bags)
Indore	Plant	1320-1350	1280-1300	+50	8000 -10,000 - Indore 3,50,000 - 4,50,000 - MP
Indore	Mandi	1230-1260	1250-1265	-5	
Maharashtra	Plant	1320-1365	1300-1325	+40	1,00,000 to 1,80,000
Maharashtra	Mandi	1270-1300	1285-1300	0	
Kota	Plant	1350-1360	1320-1325	+35	20,000 to 25,000 -Kota 1,20,000 - 1,40,000 Rajasthan
Kota	Mandi	1290-1310	1260-1290	+20	

## MUSTARD

### FUNDAMENTALS:

Producers shift in acreage towards winter vegetables and spices in Rajasthan can't be ruled out. The observation states for sufficing projected losses in rapeseed production for this Rabi season. Thus amidst projected downfall, offtake by millers & stockists continued to keep demand intact. Since NAFED was reported to sell off new stock of seeds at Rs. 1715/qt, spot market sentiments adjusted accordingly. Yesterday the open market prices were quoted at Rs. 1710/qt. A nominal hike of Rs 5 helped in recovering the market sentiments. Higher buying interest and marginal hike of open market prices helped in firming up the mustard futures for Dec contract. The Hapur contracts scaled up sharply thus providing underlying support to the NCDEX futures.

### PRICE DRIVERS:

1. Normal demand in physical markets.
2. Higher buying interest in futures market.
3. NAFED hiked the seed rates by Rs 5.
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 shadow indicates some strength but the prices reveal retracement at these levels. Stochastic is moving downward indicating weak market sentiments. MACD declining 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 increased slightly.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	376.0	378.0	380.0	385.0	387.0

### TRADE RECOMMENDATION:

Buy NCDEX December contract above 381.00, T1-383.00 and stop loss below 380.00.

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

Markets	09.11.06	08.11.06	Change	Arrivals (Bags)
Jaipur (C)	1850-1855	1835-1840	+15	15,000 - 20,000 -Rajasthan.
Alwar(C)	1760-1775	1760-1770	+5	1500-2000
Delhi(C)	1860-1865	1860	+5	400-500
Agra(C)/Katchi Ghani	1975/4600	1975/4550	0	-
Sri Ganganagar (NC)	1610-1615	1610-1615	0	300-400
Kota (NC)	1620-1640	1660-1680	-40	1200-1300

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 393 -401 per 20 Kg. Groundnut oil was quoted 5Rs higher and now stands at 517 per 10Kg. Arrivals were reported to a tune of 1.25 to 1.75 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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