

## OILSEED DAILY

### SOYBEAN

November 4<sup>th</sup>, 2006

#### FUNDAMENTALS:

Spot market sentiments remained bullish. Crushing mills, local processors and solvent extraction units are continuously procuring seeds to meet demand of soymeal from feed industry. This is very well reflected in spot market prices at plants. Soybean cake is rich in nitrogen and mineral content and can be very well utilized as a manure for the soil and as a cattle feed for the animals. Building up of huge inventories with stockists and millers also supported the bullish trend. Soy futures in domestic market remained bearish during first half of trading and later speculative buying supported for firmness observed in its price largely due to good demand for soymeal in domestic market. Besides this the domestic futures market got support from good soy futures in the world market.

#### PRICE DRIVERS:

1. Steady arrivals.
2. Millers & stockists building up huge inventories to sustain future demand.
3. Firm soy futures in world market.
4. Demand from feed industry would increase in coming days.

#### WEATHER

Weather is reported to be normal in most part of the soybean growing areas.

#### TECHNICALS

Filled candlestick indicates bearish market sentiments. Stochastic made bearish cross over and moving southwards with wide divergence indicating lack of firmness into the market sentiments. MACD remain flat with narrow divergence indicating indecisiveness. The prices closed above 9 day and 18 day EMA indicating bullish market sentiments. Volume decline sharply while OI remains almost steady.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	1308.00	1316.00	1332.00	1343.20	1350.00

#### TRADE RECOMMENDATION: (Intraday)

Sell NCDEX November contract below 1334.30 T1-1324.00, and stop loss below 1337.00.

#### SPOT MARKET PRICES

Centers	Market	03.11.06	02.11.06	Change	Arrivals (Bags)
Indore	Plant	1240-1260	1220-1250	+20	10,000 -15,000 - Indore 5,00,000 - MP
Indore	Mandi	1210-1220	1180-1215	+5	
Maharashtra	Plant	1300-1310	1280	+30	2,00,000 to 2,25,000
Maharashtra	Mandi	1170-1200	1180-1220	-20	
Kota	Plant	1280-1290	1250-1270	+20	25,000 to 35,000 -Kota 1,00,000 - 1,25,000 Rajasthan
Kota	Mandi	1240-1255	1210-1230	+25	

## MUSTARD

### FUNDAMENTALS:

Spot market sentiments showed mixed sentiments. NAFED was reported to sell off seeds at Rs 1730/qt slightly higher by 5 Rs in comparison to last days price. Spot market sentiments well follows the price adjustments done from time to time basis. Although the open market prices scaled up marginally it was expected that prices might firm up, instead it declined. Since private seed stock among traders has already exhausted and much depends upon selling price of seeds by NAFED, traders opine for prices to become stable. Millers were reluctant to procure seeds, as an increase in prices would mean a decrease in crushing margins at the back- drop of good demand for edible oil in domestic market and meal at domestic and world market both. Mustard futures at Hapur and Delhi exchange crashed down as traders opine for retracement of escalated prices and NCDEX followed the suit.

### PRICE DRIVERS:

1. Average demand in physical markets.
2. Lack of active trading in futures market.
3. NAFED selling seeds slightly above MSP.

### WEATHER

Weather seems to be conducive for mustard crop in Rajasthan.

### TECHNICALS

Long filled candlestick with long upper and lower shadow indicating bearish market sentiments. Stochastic is moving southward after bearish cross over with wide divergence indicating slackness in market sentiments. MACD converging down for possible bearish cross over. The prices closed above 9 day and 18 day EMA indicating bullish market sentiments. Volume decline and OI remains almost steady.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	362.1	364.3	368.1	372.0	373.3

### TRADE RECOMMENDATION:

Sell NCDEX November contract below 369.00, T1-366.30 and stop loss below 370.50.

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

Markets	03.11.06	02.11.06	Change	Arrivals (Bags)
Jaipur (C)	1825-1855	1860	-5	3500 - Jaipur 15,000 - 20,000 -Raj
Alwar(C)	1760-1780	1790-1800	-20	700-800
Delhi(C)	1865-1870	1860	+10	300-400
Agra(C)/Katchi Ghani	1950/4400	1950/4400	0	-
Sri Ganganagar (NC)	1600-1610	1560-1570	+40	300-350
Kota (NC)	1700-1740	1710-1750	-10	500

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET

Spot market sentiments showed steady sentiments. Rates for groundnut seeds were quoted at Rs 384 per 20 Kg down by Rs 4 in comparison to last days price. Groundnut oil was quoted 5 Rs higher and now stands at 510 per 10Kg on account of demand from crushing mills to meet domestic feed demands. Arrivals were reported to a tune of 1.75 lakh bags. Arrivals for groundnuts are likely increase by first fortnight of November.

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