

## 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. Processing & solvent extraction units continued their offtake from stockists. Amidst virtual scarcity of soybean for a day and improved demand for soy meal in domestic market, rates picked up at the backdrop of continuous crushing. Producers would eventually sell off piled up beans in coming days, as spot market has become very volatile in terms of high open market prices. 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 & soy meal 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<br>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.

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