

## OILSEED DAILY

### SOYBEAN

November 16<sup>th</sup>, 2006

#### FUNDAMENTALS:

The spot market witnessed recovery from previous days sentiments. Trade continued as usual except for marginal hike in off-take of beans from large processing units. Despite high prices of beans, piling is continuous on account of gradual decline in arrivals expected during the second fortnight of this month. Good demand from millers, stockists and solvent extraction units has kept the rates firm amidst steady arrivals. Though imports of edible oil declined for previous oil year, the trend for present oil year projects higher imports to sustain domestic consumption. Since groundnut, rapeseed production declined considerably, focus is more on soybeans to suffice for consumers demand. Private stock position of beans is reported to be building up fast. Procurement of beans from processing units would eventually gain further momentum owing to continuous crushing reported in all ports of soybean growing areas. The NCDEX Dec contract favoured buying interest as the sentiments retraced back. Good demand for soy meal and soy oil in domestic and overseas market gave additional support to bullish sentiments.

#### PRICE DRIVERS:

1. Regional specific demand for soymeal.
2. Firm soy oil in domestic market.
3. Bullish soy meal futures in overseas markets.
4. Relative base arrivals declined considerably amidst normal demand.

#### WEATHER:

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

#### TECHNICALS

Long unfilled candlestick with short upper shadow indicates bullishness in market sentiments. Stochastic show bearish cross over in the overbought region. MACD has made a bullish crossover. The widening gap between 9 day and 18 day EMA is indicating for positive momentum. Volume and OI increased marginally.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	1391.0	1395.0	1402.75	1417.7	1430.6

#### TRADE RECOMMENDATION: (Intraday)

Buy NCDEX December contract near 1404.00, T1-1410.0 T2 - 1413.00 and stop loss below 1400.00.

#### SPOT MARKET PRICES

Centers	Market	15.11.06	14.11.06	Change	Arrivals (Bags)
Indore	Plant	1365-1370	1350-1370	0	8000- 10,000 - Indore 3,50,000 -4,00,000 - MP
Indore	Mandi	1330-1350	1325-1330	+20	
Maharashtra	Plant	1400-1410	1400-1415	+5	1,00,000 to 1,50,000
Maharashtra	Mandi	1370-1380	1360-1380	0	
Kota	Plant	1370	1370-1385	-15	12,000 to 15,000 -Kota 75,000 - 85,000 Rajasthan
Kota	Mandi	1310-1340	1310-1330	+10	

## MUSTARD

### FUNDAMENTALS:

The open market price for new stock of mustard was again revised to Rs 1850/qt whereas the old stock was sold off at Rs 1810/qt. At the backdrop of continuous offtake and decline in arrivals, rates firmed up. Since private stocks were dwindling up with time, stockists are reported to be building up stocks. The measure is being taken in view of selling it off later when demand for meal and oil increases for the days to come. Since major stock of seeds is available with NAFED, procurement of seeds would be a continuous phenomenon witnessed until Rabi crop is harvested. At the same time NAFED would retain optimum amount of seed stock to be carried forward for next year. Thus maintaining adequate demand and supply conditions in the open market. The NCDEX Dec contract reflected bullish sentiments owing to further revision of prices by NAFED. Good demand from millers and stockists amidst sole availability of mustard seeds with NAFED further supported the price trend.

### PRICE DRIVERS:

1. Normal demand in physical markets.
2. Higher buying interest in futures market.
3. NAFED selling seeds at Rs 1850/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 body unfilled candlestick indicates certain level of bullishness. Stochastic has made a bullish cross over indicating for slight bullishness ahead. MACD is also showing some increase in bullish momentum. EMA pattern favors the bulls, however volume and OI increased marginally.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	389.54	395.00	402.10	410.33	417.16

### TRADE RECOMMENDATION:

**Buy** NCDEX December contract near 403.50, T1-408.7 and stop loss below 400.20

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

Markets	15.11.06	14.11.06	Change	Arrivals (Bags)
Jaipur (C)	1965-1970	1920-1930	+40	7,000- 8,000 -Rajasthan.
Alwar(C)	1890-1900	1835-1865	+35	700-800
Delhi(C)	1965-1970	1900-1920	+50	600-700
Agra(C)/Katchi Ghani	2025/4750	2000/4600	+25	-
Sri Ganganagar (NC)	1685-1690	1650-1675	+15	300-400
Kota (NC)	1720-1750	1680-1710	+40	800-1000

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET

Spot market sentiments maintained its status quo and showed steady sentiments for rates and arrivals both. The demand from feed industry was well supporting spot market sentiments. Rates for groundnut seeds were quoted at Rs 395 per 20 Kg. Groundnut oil was quoted at 525 per 10Kg. Arrivals were reported in a range of 1.5 to 1.75 lakh 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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