

OILSEED DAILY

SOYBEAN

November 17th, 2006

FUNDAMENTALS:

Major spot markets witnessed range bound sentiments due to normal physical demand. However rates at plants improved significantly due to continuous offtake by millers and solvent extraction units. Amidst continuous crushing and demand for soymeal and soy oil in domestic market, procurement of beans besides building buffer stocks was well-noted phenomenon. Due to comparative good production of soybean in terms of groundnut and rapeseed, the demand from animal feed industry largely depends on soybean crushed at processing plants. On the very ground sentiments at plants firmed up. Private stock position of beans is reported to be building up fast. The NCDEX Dec contract favoured buying interest during first half of the trading session but declined later due to short covering of positions by traders. Weak soy futures at International market and weak soy oil in domestic market kept the sentiments bearish.

PRICE DRIVERS:

1. Continuous offtake of beans by stockists and processing plants.
2. Steady soy oil in domestic market.
3. Bearish soy 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

Dark filled candlestick with slightly long lower shadow indicates for bearish market sentiments. MACD is moving up in overbought region indicating for slight correction. Stochastic have made a bearish cross slightly below the over bought region. The volume and OI declined marginally.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	1372.0	1380.0	1395.15	1410.2	1414.6

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX December contract below 1402.00, T1-1385.00 and stop loss above 1408.00.

SPOT MARKET PRICES

Centers	Market	16.11.06	15.11.06	Change	Arrivals (Bags)
Indore	Plant	1360-1380	1365-1370	+10	8000- 10,000 - Indore 3,75,000 -4,00,000 - MP
Indore	Mandi	1330-1350	1330-1350	0	
Maharashtra	Plant	1415-1420	1400-1410	+10	1,50,000 to 1,90,000
Maharashtra	Mandi	1360-1380	1370-1380	0	
Kota	Plant	1375-1385	1370	+15	12,000 to 15,000 -Kota 75,000 - 85,000 Rajasthan
Kota	Mandi	1330-1340	1310-1340	0	

MUSTARD

FUNDAMENTALS:

The open market price for new stock of mustard at Jaipur was again revised to Rs 1865/qt whereas the old stock was sold off at Rs 1840/qt. Similarly the rates at Ganganagar was quoted at Rs 1775/qt a hike of Rs 20 over previous day's prices. The price difference between Jaipur and Ganganagar is due to high consumption demand at Jaipur, whereas Ganganagar happens to be producing region. Rates firmed up on account of revised high ruling prices amidst considerable decrease in arrivals. Dwindling private stock has prompted for piling of seeds as a measure to adjust for foreseen consumption demand for edible oil and rapeseed meal. The carry forward stock with NAFED is reported to be around 18 lakh tones. The NCDEX Dec contract reflected bullish sentiments till post lunch session due to high ruling open market prices. However it declined subsequently as the market was in overbought region. & expected some corrections. Offtake of seeds by millers & stockists amidst sole availability of mustard seeds with NAFED will support open market prices for the day to come.

PRICE DRIVERS:

1. Normal demand in physical markets.
2. Sole availability of mustard seeds with NAFED..
3. NAFED selling seeds at Rs 1850/qt to 1865/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

TECHNICALS

Long upper shadow of candlestick indicates tentativeness at higher levels. However, stochastic has made a bullish cross over indicating for slight bullishness ahead. MACD is also showing some increase in bullish momentum. The prices closed above 9 day and 18 day EMA shows firmness.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	395.0	399.89	401.30	408.5	411.2

TRADE RECOMMENDATION:

Buy NCDEX December contract near 403.31, T1-405.80 and stop loss below 401.80

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

Markets	16.11.06	15.11.06	Change	Arrivals (Bags)
Jaipur (C)	2005-2010	1965-1970	+40	10,000- 15,000 -Rajasthan.
Alwar(C)	1920-1930	1890-1900	+30	1500-2000
Delhi(C)	2000-2020	1965-1970	+50	200-300
Agra(C)/Katchi Ghani	2100/4900	2025/4750	+75	-
Sri Ganganagar (NC)	1715-1720	1685-1690	+30	400-500
Kota (NC)	1760-1780	1720-1750	+30	500-700

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Spot market sentiments improved marginally on account of demand from feed industry. Rates for groundnut seeds were quoted at Rs 395 per 20 Kg. Groundnut oil was quoted at 530 per 10Kg, an improvement of Rs 5 over previous days price. Arrivals were reported in a range of 1.5 to 1.85 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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