

OILSEED DAILY

SOYBEAN

November 15th, 2006

FUNDAMENTALS:

Stockists have piled up beans for selling off later when rates become firm. Thus creating a virtual scarcity of available stock in the market. With decrease in supply pressure it is normally expected that prices would firm up amidst good demand, but the reverse trend was noted in MP. The spot market favored selling interest, as buyers were reluctant to purchase hefty stocks at exceptionally high ruling market prices. Except for millers and solvent extraction unit's offtake by local processors was negligible. Since local processing units do hold a significant share in processing of beans rates declined marginally. However in Maharashtra, rates firmed up owing to good available stock of beans besides demand from feed industry as well. . The NCDEX Dec contract favoured selling interest as the market was in overbought region for sufficient time period and expected some corrections sooner or later. However good demand for soy meal and soy oil in domestic and overseas market would keep the prices from falling down further.

PRICE DRIVERS:

1. Regional specific demand for soymeal.
2. Firm soy oil in domestic market.
3. Local processors reluctant to purchase at ruling prices.
4. Bearish soy meal futures in overseas markets.
5. Relative base arrivals declined considerably amidst normal demand.

WEATHER:

Weather would be normal in most of the soybean growing

TECHNICALS

Dark filled candlestick with long lower shadow indicates bearishness in market sentiments. Stochastic show bearish cross over in the overbought region, similar cross over was shown by MACD indicating bearishness. Technical correction was observed as the market was in overbought region for long time. The widening gap between 9 day and 18 day EMA is indicating for positive momentum. Volume increased marginally in comparison to OI.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	1343.2	1356.6	1371.0	1396.3	1407.6

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX December contract above 1366.00, T1-1378.20, T2 - 1390.0 and stop loss below 1360.00.

SPOT MARKET PRICES

Centers	Market	14.11.06	13.11.06	Change	Arrivals (Bags)
Indore	Plant	1350-1370	1360-1380	-10	7000- 9,000 - Indore 3,50,000 -4,00,000 - MP
Indore	Mandi	1325-1330	1325-1340	-10	
Maharashtra	Plant	1400-1415	1400-1420	-5	1,00,000 to 1,50,000
Maharashtra	Mandi	1360-1380	1360-1370	+10	
Kota	Plant	1370-1385	1370-1380	+5	12,000 to 15,000 -Kota 80,000 - 90,000 Rajasthan
Kota	Mandi	1310-1330	1310-1330	0	

MUSTARD

FUNDAMENTALS:

The open market price for new stock of mustard seed was quoted Rs 50 higher than previous day's price of Rs 1760/qt. Spot market sentiments firmed up on account of current open market prices and considerable decrease in arrivals at major spot markets. Offtake by millers and stockists was continuous so as to adjust for projected demand for edible oil and meal within their existing capacity to crush seeds. Demand for rapeseed meal has also started off from animal feed industry thus making crushing of seeds a continuous process. Rapeseed meal not only finds good consumption in domestic market but also at the same time is in much demand from overseas buyers. The NCDEX Dec contract well followed the revised MSP of Rs 1810/qt 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 1810/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	384.3	388.0	390.4	394.7	398.0

TRADE RECOMMENDATION:

Buy NCDEX December contract near 390.00, T1-392.50 and stop loss below 389.00.

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

Markets	14.11.06	13.11.06	Change	Arrivals (Bags)
Jaipur (C)	1920-1930	1870-1900	+30	10,000-12,000 -Rajasthan.
Alwar(C)	1835-1865	1800-1825	+40	700-800
Delhi(C)	1900-1920	1880-1900	+20	600-700
Agra(C)/Katchi Ghani	2000/4600	1950/4550	+50	-
Sri Ganganagar (NC)	1650-1675	1640-1650	+25	300-400
Kota (NC)	1680-1710	1650-1665	+45	800-1000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Spot market sentiments remained similar to one that existed during previous day. Due to firm veg oil in domestic markets, groundnut followed the suit. Besides this demand from feed industry is also 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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