

OILSEED DAILY

SOYBEAN

November 27th, 2006

FUNDAMENTALS:

Spot market sentiments firmed up at few places due to good demand from processing units and millers alike. Resourceful producers/stockists do hold substantial amount of beans that has created virtual scarcity of readily available beans amidst firm demand. Thus leading to decline in relative base arrivals at major spot markets. Beans are being held back in anticipation of selling off when prices are lucrative. As per market observers, the influx of beans into the market is largely from small to medium scale producers, thus maintaining steady arrivals. The NCDEX Dec contract traded with bullish sentiments on account of firm soy futures in overseas market. Firm soy oil in domestic market at the backdrop of edible oil consumption to increase for this oil year also supported the price movements.

PRICE DRIVERS:

1. Firm soy oil & soymeal demand in domestic market.
2. Unavailability of ready stock of beans.
3. Relative decline in base arrivals.
4. Stockpiling reported to be continuous.

WEATHER:

Weather is reported to be clear and dry to continue arrivals, however slight rainfall has been reported over some areas in South of Maharashtra.

TECHNICALS

Small-unfilled candlestick with a prominent upper shadow indicates higher buying interest. Stochastic has made bearish crossover & moving down, possibly indicating further technical corrections. MACD reflects slight gain in positive momentum. The prices closed above 9 day and 18 day EMA shows firmness. Volume declined and OI remained steady.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	1409	1414	1424.50	1435	1440

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX December contract below 1423, T1-1421, T2-1418 and stop loss above 1432.

SPOT MARKET PRICES [Not Reported -NR]

Centers	Market	25.11.06	24.11.06	Change	Arrivals (Bags)
Indore	Plant	1420-1430	1420-1430	0	8000- 10,000 - Indore 2.5 to 3 lakhs - MP
Indore	Mandi	1360-1400	1375-1400	0	
Maharashtra	Plant	1450-1455	1450	+5	1.2 to 1.5 lakh
Maharashtra	Mandi	1375-1410	1380-1410	0	
Kota	Plant	1415-1430	1400-1430	0	10,000 to 12,000 -Kota 45,000 - 50,000 - Rajasthan.
Kota	Mandi	1355-1380	1350-1375	+5	

MUSTARD

FUNDAMENTALS:

The open market rates for mustard seed [last years stocked seeds] declared by NAFED stood at Rs 1890 per quintal. The rates were Rs 5 dearer to previously quoted rates. Spot market sentiments are not following up open market prices revised by NAFED, as small to medium scale processing units are reluctant to purchase at higher prices. Offtake was reported to be regular; the prominent buyers were stockists and large processing units. Since crushing of seeds is continuous, the demand for seeds would be steady to firm depending on open market prices. The NCDEX Dec contract traded with bearish sentiments on account of profit booking by most of the traders. However, demand for rapeseed meal and edible oil would keep the rates from falling down further.

PRICE DRIVERS:

1. Offtake by large processing units and stockists only.
2. Sole availability of mustard seeds with NAFED.
3. NAFED selling seeds at Rs 1890/qt.
4. Mustard acreage giving way to pulses and cereals.
5. Stock piling reported continuous.

WEATHER

Dry weather over the region is conducive for mustard crop.

TECHNICALS

Dark spinning top formation indicates certain level of indecisiveness ahead. Stochastic and MACD are in overbought region thus showing positive momentum ahead. However stochastic is about to curve down, possibly indicating for further corrections. The prices closed above 9 day and 18 day EMA shows firmness. Volume declined and OI remained steady.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	396	398	404	406	408

TRADE RECOMMENDATION:

Buy NCDEX December contract above 402, T1-405 and stop loss below 400.

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

Markets	25.11.06	24.11.06	Change	Arrivals (Bags)
Jaipur (C)	2010-2015	2015-2020	-5	12,000 to 15,000 -Rajasthan.
Alwar(C)	1950	1930-1940	+10	600-800
Delhi(C)	2040-2045	2050	-5	550-750
Agra(C)/Katchi Ghani	2150/5000	2150/5000	0	-
Sri Ganganagar (NC)	1760-1765	1765-1770	-5	200-250
Kota (NC)	1840-1860	1830-1840	+10	400-500

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Spot market sentiments improved further due to limited arrivals of groundnut seeds amidst firm demand from millers and feed industry. Rates for groundnut seeds were quoted at Rs 415 to Rs 420 per 20 Kg for different quality of seeds. Groundnut oil was quoted at 545 to 550 per 10Kg. Arrivals were reported in a range of 80,000 bags to 1,20,000 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 in Andhra Pradesh belt and Karnataka region.

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