

OILSEED DAILY

SOYBEAN

November 30th, 2006

FUNDAMENTALS:

Yesterday's bearishness in domestic soybean futures was well reflected in today's spot market sentiments. The news for Avian Flu resulted in weak sentiments for soymeal demand in domestic and overseas market. The magnitude and contagious nature of Avian Flu in South Korea would decide soymeal sentiments for days to come, as the country is one of the biggest importers of oilmeal. Relative offtake of beans declined amidst higher selling interest. Millers and solvent extraction units are said to have enough buffer stocks to continue crushing but would continue offtake for any contingency ahead. The NCDEX Dec contract was bearish on account of Avian Flu and weak soy futures in International markets, however profit booking continued amidst higher selling interest.

PRICE DRIVERS:

1. Weak soymeal demand in domestic & overseas market.
2. Steady base arrivals.
3. Bird flu outbreak in South Korea.
4. Average physical demand.
5. Nations on high alert on account of Flu.

WEATHER:

Weather is reported to be clear and dry over Rajasthan. Chance of rains/thundershowers over few regions in MP and Maharashtra in next 24 hrs.

TECHNICALS

Dark candlestick with a prominent lower shadow indicates bearishness with higher selling interest. Stochastic is moving down, indicating bearish sentiments ahead. MACD reflects slight gain in positive momentum. The prices closed below 9 day and 18 day EMA with divergence likely to narrow indicating possible decrease in positive momentum. Volume and OI declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	1352	1360	1375.05	1400	1410

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX December contract below 1385, T1-1374, T2-1366 and stop loss above 1390.

SPOT MARKET PRICES [Not Reported -NR]

Centers	Market	29.11.06	28.11.06	Change	Arrivals (Bags)
Indore	Plant	1390-1410	1420-1430	-20	6000- 8,000 - Indore 3 to 3.75 lakhs - MP
Indore	Mandi	1360-1380	1380-1400	-20	
Maharashtra	Plant	1410-1420	1450-1455	-35	1.2 to 1.25 lakh
Maharashtra	Mandi	1360-1410	1390-1420	-10	
Kota	Plant	1410-1420	1420-1430	-10	7,000 - 8,000 -Kota 35,000 - 40,000 - Rajasthan.
Kota	Mandi	1355-1360	1965-1385	-25	

MUSTARD

FUNDAMENTALS:

The open market rates for mustard seed [last years stocked seeds] declared by NAFED stood at Rs 1880 per quintal. Rates were Rs 10 dearer to yesterday's rates. As per market observers, traders are buying less at high prices. Traders are anticipating to buy more when rates retrace their normal levels to continue normal offtake amidst peak crushing season Bearish oilseed and oilmeal sentiments in domestic and overseas market amidst relative decrease on offtake by stockists and millers alike led to weak physical demand.. The NCDEX Dec contract showed bearish sentiments due to weak spot market sentiments and higher open market prices. Weak oilmeal sentiments due to avian flu outbreak in South Korea & traders opining for additional technical corrections supported the downtrend.

PRICE DRIVERS:

1. Lack of active buying even at relative reduced prices.
2. Sole availability of mustard seeds with NAFED.
3. NAFED selling seeds at Rs 1880/qt.
4. Mustard acreage giving way to pulses and cereals.
5. Weak oilmeal sentiments in domestic and overseas market.

WEATHER

Dry weather over the region is conducive for mustard crop.

TECHNICALS

Small dark candlestick with a prominent lower shadow indicates bearishness with higher selling interest. Stochastic moving down indicates bearishness ahead. MACD has also made a bearish cross over. The prices closed below 9-day and 18 day EMA indicating steep fall in prices and possibility of divergence to narrow down for the days to come. Volume and OI declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	380	385	392.10	400	405

TRADE RECOMMENDATION:

Sell NCDEX December contract below 395, T1-387 and stop loss above 398.

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

Markets	29.11.06	28.11.06	Change	Arrivals (Bags)
Jaipur (C)	1995-2000	2020	-20	12,000 to 15,000 -Rajasthan.
Alwar(C)	1920-1925	1950	-25	700-800
Delhi(C)	2000-2010	2030-2035	-25	400-500
Agra(C)/Katchi Ghani	2100/4950	2125/4950	-25	-
Sri Ganganagar (NC)	1730-1735	1760	-25	200-300
Kota (NC)		-		-

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Spot market sentiments remained steady due to steady demand from millers and feed meal industry. Rates for groundnut seeds were quoted at Rs 408 to Rs 410 per 20 Kg for different quality of seeds. Groundnut oil was quoted at 535 to 540 per 10Kg. Arrivals was reported to be steady to a tune of around 1-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 in Andhra Pradesh belt and Karnataka region.

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