

OILSEED DAILY

SOYBEAN

December 1st, 2006

FUNDAMENTALS:

Relative offtake of beans has declined in domestic market. Stockists continued their regular offtake, in anticipation to sell off when rates firm up later. Good demand for soy oil and weak sentiments for soymeal in domestic markets are two counter balancing observations ruling soybean spot market sentiments. Producers are holding back beans as prices declined at major spot markets. The very observation amidst slight rain showers reported over Maharashtra and MP led to decline in arrivals. Crushing is reported to be normal as processing units are said to have sufficient buffer stock to last for days to come. The NCDEX Dec contract traded with slight bullish sentiments due to firm soy oil in domestic market and overseas market. However, slight indecisiveness was reflected due to weak demand for soy meal in country as well as in abroad.

PRICE DRIVERS:

1. Weak soymeal demand in domestic & overseas market.
2. Firm soy oil in domestic and overseas market.
3. Decline in base arrivals.
4. Average physical demand.
5. Nations on high alert on account of Flu.

WEATHER:

Weather is reported to be clear and dry over major soybean growing areas.

TECHNICALS

Small-unfilled candlestick depicts slight improvement over previous days sentiments. Stochastic and MACD reflects decline in positive momentum. The prices closed below 9 day and 18 day EMA with divergence likely to narrow indicating 'likely' weak sentiments ahead. Volume increased marginally and OI declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	1370	1373	1385	1393	1396

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX December contract below 1388, T1-1382, T2-1372 and stop loss above 1391.

SPOT MARKET PRICES [Not Reported -NR]

Centers	Market	30.11.06	29.11.06	Change	Arrivals (Bags)
Indore	Plant	1390-1400	1390-1410	-10	7000- 8,000 - Indore 3 to 3.5 lakhs - MP
Indore	Mandi	1360-1380	1360-1380	0	
Maharashtra	Plant	1400-1410	1410-1420	-10	90,000 to 1 lakh
Maharashtra	Mandi	1350-1380	1360-1410	-30	
Kota	Plant	1370-1390	1410-1420	-30	6,000 - 7,000 -Kota 30,000 - 35,000 Rajasthan.
Kota	Mandi	1335-1355	1355-1360	-5	

MUSTARD

FUNDAMENTALS:

The open market rates for mustard seed [last years stocked seeds] declared by NAFED stood at Rs 1890 per quintal. Rates were Rs 10 dearer to yesterday's rates. Since open market prices are surging ahead, relative offtakes declined. Arrivals remained steady in absence of fresh demand. Stockists and millers continued procuring seeds so as to make up for dwindling private seed stock, but in lesser proportions. The very measure is likely to continue until Rabi mustard is harvested. The NCDEX Dec contract reflected indecisiveness amidst slight buying support. Weak spot market sentiments affected domestic mustard futures to considerable extent.

PRICE DRIVERS:

1. Lack of active buying at higher prices.
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. Weak oilmeal sentiments in domestic and overseas market.

WEATHER

Dry weather over the region is conducive for mustard crop except for wet spells starting next week due to ongoing western disturbances.

TECHNICALS

Small-unfilled candlestick reflects certain level of indecisiveness. Stochastic and MACD are moving down indicating slight bearishness ahead. 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	381	386	392.75	399	403

TRADE RECOMMENDATION:

Sell NCDEX December contract below 395, T1-389, T2-385 and stop loss above 397.

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

Markets	30.11.06	29.11.06	Change	Arrivals (Bags)
Jaipur (C)	1970-1980	1995-2000	-20	12,000 to 15,000 -Rajasthan.
Alwar(C)	1900-1910	1920-1925	-15	700-800
Delhi(C)	1980-1985	2000-2010	-25	400-500
Agra(C)/Katchi Ghani	2100/4950	2100/4950	0	-
Sri Ganganagar (NC)	1730-1735	1730-1735	0	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 405 to Rs 408 per 20 Kg for different quality of seeds. Groundnut oil was quoted at 530 to 532 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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