

OILSEED DAILY

December 13, 2006

SOYBEAN

FUNDAMENTALS:

Arrivals for soybean registered a steady pace. Demand for beans firmed up at plants. Buffer stocks with plants are reported sufficient enough to continue normal crushing, but continued normal offtake from stockists to prevent any contingency later. Due to easy availability of other oilseeds at different spot markets, attention has been marginally diverted off from soybean especially in Maharashtra region. They opine to buy beans amidst peak arrivals of cereals and oilseeds by next year when focus would be diversified. The NCDEX January contract opened higher against previous closing price amidst firm physical demand for soymeal. Despite this soybean contract reflected bearish sentiments, as it was not able to sustain prices at higher levels.

PRICE DRIVERS:

1. Normal to good demand for soymeal in domestic markets.
2. Traders actively buying other available oilseeds amidst focus on soybeans.
3. Arrivals maintaining steady pace.
4. Steady soy oil sentiments in domestic market.
5. Producers slowed down their sales.
6. Persistent demand at these price levels.

WEATHER:

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

TECHNICALS

Dark candlestick with small real body and prominent upper shadow indicates bearishness. Stochastic is surging up. MACD has moved down indicating weak market sentiments. The prices closed near 18-day EMA. Volume increased and OI declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	1374	1382	1390.2	1410	1415

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX January contract below 1400, T1-1394, T2-1386 and stop loss above 1405.

SPOT MARKET PRICES [Not Reported -NR]

Centers	Market	12.12.06	11.12.06	Change	Arrivals (Bags)
Indore	Plant	1380-1400	1360-1370	+30	90,000 to 1 lakh bags - MP
Indore	Mandi	1330-1340	1290-1340	0	
Maharashtra	Plant	1380-1420	1390-1400	+20	70,000 bags
Maharashtra	Mandi	1325-1350	1350-1370	-20	
Kota	Plant	1380-1400	1370-1380	+20	18,000 - 22,000 Rajasthan.
Kota	Mandi	1320-1345	1320-1335	+10	

MUSTARD

FUNDAMENTALS:

The open market rates for mustard seed [stocked during 2005-06] declared by NAFED stood at Rs 1750-1800 [For Rajasthan]. Prices were revised down by Rs 50 per qtl, as buyers were reluctant to purchase seeds at higher price levels. As per market observers, offtake of seeds at prevailing rates depends on rates offered by re-seller/stockists from whom processing units and millers procure seeds in bulk. On the same lines, if stockists follow the suit and allow spot market sentiments to follow open market prices then there exists a possibility for resuming active trading at different spot markets. However, traders would have to wait for day or two until resellers come out with new rates. The NCDEX January contract reflected bearish sentiments though it opened up higher against previous closing price. Considerable decline in open market prices by NAFED led to trade in weaker side.

PRICE DRIVERS:

1. Sole availability of mustard seeds with NAFED.
2. Reselling rates for mustard seeds yet to be declared by whole-seller/stockists.
3. Centre's directive to compulsorily add 20% mustard oil in Vanaspati.
4. NAFED selling seeds from Rs 1750 to 1800 per qtl in Rajasthan
5. Reduced mustard acreage in UP, Haryana as per Centre's estimate, until second fortnight of Nov.
6. Weak rapeseed meal sentiments in domestic market.

WEATHER

Clear weather has been reported over mustard growing region.

TECHNICALS

Dark candlestick reflects bearishness. Stochastic is moving steady in oversold region. MACD is moving down indicating weak market sentiments. The prices closed well below 9-day and 18-day EMA indicating slight decline in prices. Both Volume and OI increased marginally.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	373	379	387.45	399	402

TRADE RECOMMENDATION:

Sell NCDEX January contract below 395, T1-387, T2-383 and stop loss above 398.

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

Markets	12.12.06	11.12.06	Change	Arrivals (Bags)
Jaipur (C)	1955-1960	1950-1960	0	10,000 to 12,000 -Rajasthan.
Alwar(C)	1880-1890	1880-1890	0	700-800
Delhi(C)	1990	1980	+10	300-400
Agra(C)/Katchi Ghani	2050/4850	2050/4850	0	-
Sri Ganganagar (NC)	1730	1720-1725	+5	250-300
Kota (NC)	1700-1765	1700-1765	0	400-500

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Spot market sentiments improved slightly due to marginal hike in physical demand for groundnut meal and edible oil. Rates for groundnut seeds were quoted at Rs 398 to Rs 400 per 20 Kg for different quality of seeds. Groundnut oil was quoted at 530 to 535 per 10Kg. Arrivals was reported to be steady to a tune of around 70,000 to 90,000 bags. Demand from livestock industries has started off and would eventually catch up the pace. Lower groundnut production in Andhra Pradesh & Karnataka for this year amidst projected decline in acreage for 2006-2007 had its affect felt in major spot markets.

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