

OILSEED DAILY

December 09, 2006

SOYBEAN

FUNDAMENTALS:

Overall normal to good physical demand amidst relative decline in arrivals firmed up the prices across the Mandis. Stockists continued their offtake under assumption that rate are likely to firm up for the days to come. Arrivals are keeping steady pace due to restricted selling from stockists. Besides this producers too are reported to slow down their sales on account of prevailing weak soymeal sentiments in domestic and world market. Crushing of beans is reported to be regular and would catch pace due to following winter demand for edible oil. The NCDEX Jan contract traded firm today on the back of strong soy futures in domestic and overseas markets, however the firmness is not going to last long looking at the poor crushing demand for seeds from millers.

PRICE DRIVERS:

1. Weak soymeal sentiments in domestic market.
2. Base import price for soy oil remains unchanged.
3. Arrivals maintaining steady pace.
4. Firm soy futures in overseas.
5. Weak soy oil sentiments in domestic market.
6. Producers slowed down their sales.

WEATHER:

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

TECHNICALS

Doji formation reflects large amount of indecisiveness in the market. Prices show a little change from the open. Stochastic is still in oversold region and is directed up. Downward trend in MACD reflects bearishness ahead. The prices closed below 9 day and 18 day EMA indicating weak sentiments ahead. Volume and OI declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	1364	1366	1371.60	1380	1385

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX January contract below 1375, T1-1371, T2-1368 and stop loss above 1378.

SPOT MARKET PRICES [Not Reported -NR]

Centers	Market	08.12.06	07.12.06	Change	Arrivals (Bags)
Indore	Plant	1350-1370	1330-1350	+20	90,000 to 1 lakh bags - MP
Indore	Mandi	1290-1320	1250-1310	+10	
Maharashtra	Plant	1395-1400	1380-1390	+10	70,000 to 80,000 lakh bags
Maharashtra	Mandi	1320-1330	1310-1325	+5	
Kota	Plant	1360-1380	1370-1380	0	4000 - Kota 22,000 - 26,000 Rajasthan.
Kota	Mandi	1330-1340	1315-1330	+10	

MUSTARD

FUNDAMENTALS:

The open market rates for mustard seed [stocked during 2005-06] declared by NAFED stood at Rs 1815-1855. Physical demand for seeds improved marginally under presumption that open market prices for seeds may scale up by next week amidst steady arrivals reported across the Mandis. Despite encouraging export sales report for rapeseed meal for the month of Nov, demand for rapeseed meal from animal feed industry kept low pitch. However, continuous crushing of seeds at the back drop of increase in consumptive demand for edible oil in this oil year would probably keep the demand intact for the days to come. The NCDEX Jan contract traded bullish. Since domestic mustard seed futures at Delhi and Hapur exchange traded bearish, NCDEX mustard futures followed the suit, as it couldn't sustain prices at higher levels.

PRICE DRIVERS:

1. Sole availability of mustard seeds with NAFED.
2. Centre's directive to compulsorily add 20% mustard oil in Vanaspati.
3. NAFED selling seeds from Rs 1815 to 1855 per qtl in Rajasthan
4. Reduced mustard acreage in UP, Haryana as per Centre's estimate, until second fortnight of Nov.
5. Weak rapeseed meal sentiments in domestic market.

WEATHER

Cloudy sky over few regions of Rajasthan with minimum temperature likely to be near 12° C.

TECHNICALS

Small real body with prominent upper shadow indicates bullishness. Stochastic is moving in the oversold region indicating bearishness. MACD is moving down indicating weak market sentiments. The prices closed below 9-day and 18 day EMA indicating steep fall in prices. Volume and OI declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	383	386	392.75	397	399

TRADE RECOMMENDATION:

Buy NCDEX January contract above 389, T1-393, T2-395 and stop loss below 387.

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

Markets	08.12.06	07.12.06	Change	Arrivals (Bags)
Jaipur (C)	1955-1960	1965-1970	-10	10,000 to 14,000 -Rajasthan.
Alwar(C)	1890-1900	1880-1885	+15	700-800
Delhi(C)	1985-1990	1980-1995	-5	200-300
Agra(C)/Katchi Ghani	2050/4850	2050/4850	0	-
Sri Ganganagar (NC)	1720-1725	1730-1735	-10	150-200
Kota (NC)	1680-1730	1680-1710	+20	400-500

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Spot market sentiments reflected steady tone on account of normal demand for groundnut meal and groundnut oil in domestic market. Rates for groundnut seeds were quoted at Rs 398 to Rs 408 per 20 Kg for different quality of seeds. Groundnut oil was quoted at 530 per 10Kg. Arrivals was reported to be steady to a tune of around 80,000 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.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.