

## OILSEED DAILY

### SOYBEAN

December 4, 2006

#### FUNDAMENTALS:

Despite the decision by Centre to keep intact the base import prices of soy oil for the coming fortnight, sentiments for soybean reflected bearish tone. Since market remained closed during second half of trading, active buying was not witnessed. However stockists and millers continued their offtake. The buffer stock of beans available with processing units is reported to be just enough to last till second fortnight of this month. The very observation is likely to keep the demand intact with slight bullish undertone. The NCDEX Dec contract traded with bearish sentiments amidst weak demand for soymeal and soybean in domestic and world market. Slightly improved soy oil and continuous demand for edible oil in domestic market prevented any downfall.

#### PRICE DRIVERS:

1. Weak soymeal demand in domestic & overseas market.
2. Base import price for soy oil remains unchanged.
3. Decline in base arrivals.
4. Lack of active buying.
5. Normal offtake processing units and millers.

#### WEATHER:

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

#### TECHNICALS

Small-dark candlestick with relatively long lower shadow indicates bearish sentiments with higher selling interest. 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 declined and OI was almost steady



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	1355	1362	1370	1388	1395

#### TRADE RECOMMENDATION: (Intraday)

**Buy** NCDEX December contract above 1368, T1-1376, T2-1382 and stop loss below 1366.

#### SPOT MARKET PRICES [Not Reported -NR]

Centers	Market	02.12.06	01.12.06	Change	Arrivals (Bags)
Indore	Plant	1370-1390	1380-1400	-10	5000- 6,000 - Indore 1.75 to 2 lakhs - MP
Indore	Mandi	1340-1360	1350-1370	-10	
Maharashtra	Plant	1370-1390	1410-1420	-30	90,000 to 1.3 lakh
Maharashtra	Mandi	1410-1415	1370-1400	+15	
Kota	Plant	1375-1385	1375-1395	-10	4,000 - 5,000 -Kota 25,000 - 30,000 Rajasthan.
Kota	Mandi	1330-1345	1345-1355	-10	

## MUSTARD

### FUNDAMENTALS:

As per spokesman for Union Ministry of Agriculture, mustard acreage until second fortnight of November was reported to have declined relative to last years record. The observation further strengthens spot market sentiments amidst sole availability of off-season stock of seeds with NAFED. Stockists and Millers continued their procurement in higher proportions to take early advantage of reduced open market prices. The open market rates for mustard seed [last years stocked seeds] declared by NAFED stood at Rs 1880-1885 per quintal for Jaipur line, elsewhere rates were quoted between Rs 1825 to 1860 per qtl. The NCDEX Dec contract reflected bearish sentiments amidst lack of buying support at higher price levels. However slight relaxation in open market prices by NAFED, prevented rates from falling down further.

### PRICE DRIVERS:

1. Sole availability of mustard seeds with NAFED.
2. NAFED selling seeds at Rs 1880-1885/qtl.
3. Mustard acreage giving way to pulses and cereals.
4. Weak oilmeal sentiments in domestic and overseas market.
5. Prices may shoot up in near term.

### 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 dark candlestick reflects bearishness. 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 declined and OI remained steady.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	380	384	392.15	398	400

### TRADE RECOMMENDATION:

Buy NCDEX December contract above 388, T1-392, T2-395 and stop loss below 386.

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

Markets	02.12.06	01.12.06	Change	Arrivals (Bags)
Jaipur (C)	1995-2000	1990-1995	+5	12,000 to 15,000 -Rajasthan.
Alwar(C)	1935-1940	1930-1940	0	900-1000
Delhi(C)	2010-2115	2000	+15	300-400
Agra(C)/Katchi Ghani	2100/4900	2100/4950	-	-
Sri Ganganagar (NC)	1760-1765	1750-1755	+10	200-250
Kota (NC)	1800	-	-	-

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET

Spot market sentiments remained steady on account of sluggish demand for meal and oil in domestic market. Rates for groundnut seeds were quoted at Rs 404 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 90,000 to 1.10 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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