

OILSEED DAILY

December 21, 2006

SOYBEAN

FUNDAMENTALS:

The Indore spot market was closed on account of Amavasya. Arrivals of beans in MP were reported to be low. Spot market sentiments firmed up across other mandis due to good demand for soymeal & soy oil in domestic market. Millers and stockists continued normal offtake of beans at prevailing market prices. The NCDEX January contract closed at 1368.5 against previous closing price of 1350.0. Good buying support amidst firm veg oil demand in domestic market coupled with firm soy futures at overseas firmed up the sentiments. However, on the news of outbreak of bird flu in Vietnam, the prices are unlikely to sustain at higher levels if global soymeal markets reacts sharply.

PRICE DRIVERS:

1. Steady arrivals across spot markets.
2. Good demand for soymeal and soy oil in domestic market.
3. Firm soy futures at CBOT.
4. Stockpiling continued at millers end.
5. Cumulative arrivals declined at MP.
6. Outbreak of bird flu in Vietnam.

WEATHER:

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

TECHNICALS

Unfilled candlestick indicates bullishness. Stochastic has made a bearish cross over and scaling down. MACD has entered negative territory and indicates possible weak sentiments. The prices closed between 9-day & 18-day EMA. Volume increased considerably whereas open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	1338	1346	1368.5	1378	1386

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX January contract below 1370, T1-1362, T2-1352 and stop loss above 1373.

SPOT MARKET PRICES [Not Reported -NR]

Centers	Market	20.12.06	19.12.06	Change	Arrivals (Bags)
Indore	Plant	1350-1370	1350-1365	+5	45,000 TO 50,000 in MP.
Indore	Mandi	1310-1320	1275-1300	+20	
Maharashtra	Plant	1360-1365	1340-1350	+15	45,000 to 60,000 bags
Maharashtra	Mandi	1300-1320	1270-1300	+20	
Kota	Plant	1355-1360	1345-1360	0	18,000 - 20,000 Rajasthan.
Kota	Mandi	1305-1320	1290-1310	+10	

MUSTARD

FUNDAMENTALS:

The open market rates for mustard seed [stocked during 2005-06] as declared by NAFED, was further revised down to Rs 1690 per qtl, against previously quoted rates of Rs 1700 per qtl. As per market observers, stockists and traders actively purchased mustard seeds yesterday and resold it in consensus with open market prices. A further relaxation in prices of mustard seeds has been done with the intention to dispose off 25% of the total available stock before start of harvesting for Rabi mustard. The NCDEX January contract reflected bullishness amidst eased down open market prices. The January contract closed at 375.4 against previous closing of 371.7.

PRICE DRIVERS:

1. Sole availability of mustard seeds with NAFED.
2. NAFED selling seeds at Rs 1690 per qtl in Rajasthan.
3. Reduced mustard acreage in UP, Haryana as per Centre's estimate, until second fortnight of Nov.
4. Weak rapeseed meal sentiments in domestic market.

WEATHER

Weather reported clear over mustard growing regions. Forecast for rains during next 36 hrs over North Haryana, Western UP would be beneficial for mustard growing crop, as it would retain the much needed soil moisture necessary for healthy flowering in mustard crop.

TECHNICALS

Unfilled candlestick reflects bullishness. Stochastic has declined steeply into oversold region. MACD too has scaled down indicating weak market sentiments. The prices closed well below 9-day and 18-day EMA indicating further decline in prices. Both Volume and open interest increased marginally.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	362	368	375.40	386	390

TRADE RECOMMENDATION:

Buy NCDEX January contract above 373, T1-377, T2-383 and stop loss below 371.

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

Markets	20.12.06	19.12.06	Change	Arrivals (Bags)
Jaipur (C)	1870	1895	-25	10,000 to 12,000 -Rajasthan.
Alwar(C)	1800	1825	-25	500-600
Delhi(C)	1935-1940	1940	0	400-500
Agra(C)/Katchi Ghani	1950/4600	2000/4650	-50	-
Sri Ganganagar (NC)	1660	1650	+10	Arrivals not reported
Kota (NC)	1645-1660	1650-1690	-30	400-500

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Spot market sentiments for groundnut firmed up amidst demand for groundnut seeds from Andhra Pradesh and Karnataka. Amidst sowing time for groundnut in these states coupled with poor seed stocks carried forward from last season, the demand for seeds has firmed up at different spot markets of Gujarat. Arrivals were reported to be in the tune of 55,000 to 65,000 bags per day. Rates for seeds were reported to be around Rs 398 to 400 per 20 Kg. Prices for groundnut oil scaled up by Rs 10 over previous days price and touched a figure of Rs 540 per 10 Kg amidst firm veg oil in domestic market. The demand for meal is likely to catch up pace by end of this year.

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