

OILSEED DAILY

December 08, 2006

SOYBEAN

FUNDAMENTALS:

Spot market in Indore remained closed amidst continuing strike. However trading was reported from other spot markets in MP namely Ujjain, Dewas etc. Other spot markets witnessed weak to average physical demand. As per traders, weak demand for soymeal continues to persist despite satisfactory export statistics for Nov 2006 released by Solvent Extraction Association of India. Competitive pricing of soymeal by overseas suppliers amidst congestion at Kandla ports has affected Indian soymeal sentiments at export front. Stockists continued to pile up beans at the back drop of estimated demand for edible oil to increase for this oil year. The NCDEX Jan contract reflects bullish sentiments despite weak soy futures in domestic and overseas market. However slight improvement noticed in domestic soy oil futures during post lunch session supported rates from any abrupt fall.

PRICE DRIVERS:

1. Weak soymeal sentiments in domestic and overseas sentiments
2. Base import price for soy oil remains unchanged.
3. Arrivals maintaining steady pace.
4. Slightly improved domestic soy oil futures.
5. Stockists continued piling up beans.

WEATHER:

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

TECHNICALS

Unfilled candlestick indicates bullish sentiments. Stochastic is surging up after making a bullish crossover in oversold region indicating for possible gain in positive momentum. On the contrary MACD reflects bearishness ahead. The prices closed below 9 day and 18 day EMA indicating weak sentiments ahead. Volume hiked marginally and OI declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	1349	1353	1367	1373	1376

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX January contract near 1358, T1-1364, T2-1371 and stop loss below 1355.

SPOT MARKET PRICES [Not Reported -NR]

Centers	Market	07.12.06	06.12.06	Change	Arrivals (Bags)
Indore	Plant	1330-1350	1350-1360	-10	1.1 -1.25 lakhs - MP
Indore	Mandi	1250-1310	1300-1320	-10	
Maharashtra	Plant	1380-1390	1370-1380	+10	70,000 to 75,000 lakh bags
Maharashtra	Mandi	1310-25	1330-1340	-15	
Kota	Plant	1370-1380	1370-1380	0	4000 - Kota 25,000 - 30,000 Rajasthan.
Kota	Mandi	1315-1330	1325-1330	0	

MUSTARD

FUNDAMENTALS:

As per market observers, slight disinterest among stockists and millers to continue offtake at prevailing price levels, was well reflected in major spot markets. NAFED was reported to have revised up the prices of mustard seeds. The open market rates for mustard seed [stocked during 2005-06] declared by NAFED stood at Rs 1820-1855 per quintal in Rajasthan. However estimated decline in overall acreage of mustard for this Rabi season amidst good consumption demand for edible oil for the days to come would keep the demand intact. The NCDEX Jan contract reflects bullishness amidst slight firm sentiments for edible oil in near future.

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 1820 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

Unfilled candlestick reflects 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 hiked marginally and OI declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	382	386	393.30	399	402

TRADE RECOMMENDATION:

Sell NCDEX January contract below 395, T1-392, T2-388 and stop loss above 397.

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

Markets	07.12.06	06.12.06	Change	Arrivals (Bags)
Jaipur (C)	1965-1970	1960-1965	+5	10,000 to 14,000 -Rajasthan.
Alwar(C)	1880-1885	1900	-15	800-900
Delhi(C)	1980-1995	1990-2000	-5	400-500
Agra(C)/Katchi Ghani	2050/4850	2050/4850	0	-
Sri Ganganagar (NC)	1730-1735	1735-1740	-5	150-200
Kota (NC)	1680-1710	1670-1700	+10	300-400

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Spot market sentiments remained steady on account of normal to weak oil meal demand in domestic market amidst steady arrivals. Rates for groundnut seeds were quoted at Rs 396 to Rs 400 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 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.

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.