

## OILSEED DAILY

December 23, 2006

### SOYBEAN

#### FUNDAMENTALS:

Rates for soybean firmed up across spot markets due to good winter demand for beans and edible oil amidst sluggish arrivals. Stockists are reported to have piled up enough beans and do opine to sell off when rates for beans turn out more lucrative for the days to come. The news of another outbreak of bird flu in South Korea seemed to have had little affect on soymeal traded at export front. The NCDEX January contract closed at 1378.1 against previous closing price of 1385. Firm soy futures at overseas besides good demand for soy oil supported domestic soy futures, however prices couldn't sustain at higher levels due to lack of strong fundamentals.

#### PRICE DRIVERS:

1. Steady arrivals across spot markets.
2. Firm demand for soymeal at export front
3. Firm soy futures at CBOT.
4. Stockpiling continued at millers end.
5. Consecutive outbreak of bird flu in South Korea.

#### WEATHER:

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

#### TECHNICALS

Dark candlestick with prominent upper shadow indicates bearishness. Stochastic is surging up. MACD has entered negative territory and indicates possible weak sentiments. The prices closed above 9-day & 18-day EMA. Volume increased & open interest declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	1358	1364	1378	1395	1400

#### TRADE RECOMMENDATION: (Intraday)

Sell NCDEX January contract below 1389, T1-1376, T2-1370 and stop loss above 1392.

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

Centers	Market	22.12.06	21.12.06	Change	Arrivals (Bags)
Indore	Plant	1360-1385	1350-1355	+30	60,000 TO 80,000 in MP.
Indore	Mandi	1325-1335	1320-1325	+10	
Maharashtra	Plant	1375-1380	1350-1360	+20	55,000 to 60,000 bags
Maharashtra	Mandi	1335-1340	1290-1330	+10	
Kota	Plant	1360-1370	1355-1360	+10	18,000 -Rajasthan.
Kota	Mandi	1325-1330	1300-1310	+20	

## MUSTARD

### FUNDAMENTALS:

The open market rates for mustard seed [stocked during 2005-06] as declared by NAFED, was quoted at Rs 1710 for all centres except Jaipur. For Jaipur line the rates were quoted over and above the slated MSP at Rs 1725 per qtl. Since most of the millers/crushing units are concentrated in and around Jaipur the rates were quoted relatively higher due to comparatively higher demand for crushing. Spot market sentiments followed the suit. Stockists continued offtake of seeds at prevailing prices under presumption that rates may escalate further for the days to come. The NCDEX January contract reflected bearishness, as prices couldn't sustain at higher levels. The January contract closed at 376.4 against previous closing of 378.40. However, winter demand for edible oil amidst projected decline in rapeseed production would keep intact regular offtake of seeds from stockists and millers alike.

### PRICE DRIVERS:

1. Sole availability of mustard seeds with NAFED.
2. NAFED selling seeds at Rs 1710 to 1725 per qtl.
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 and dry over Rajasthan. Slight fog conditions over Haryana, Western UP and Punjab may affect flowering unless irrigated timely. Persistent fog conditions hampers seed setting in flowers and thus decreases the overall production of mustard seeds.

### TECHNICALS

Dark candlestick indicates bearishness. Stochastic has made a crossover in oversold region and curving up. MACD has scaled down indicating weak market sentiments. The prices closed below 9-day and 18-day EMA indicating possible weak sentiments. Both Volume and open interest increased.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	367	370	376.40	384	389

### TRADE RECOMMENDATION:

**Buy** NCDEX January contract above 374, T1-380 and stop loss below 372.

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

Markets	22.12.06	21.12.06	Change	Arrivals (Bags)
Jaipur (C)	1900-1910	1880-1885	+25	12,000 to 15,000 -Rajasthan.
Alwar(C)	1825-1830	1800	+30	600-700
Delhi(C)	1960-1965	1935-1940	+25	100-200
Agra(C)/Katchi Ghani	2000/4700	1950/4600	+50	-
Sri Ganganagar (NC)	1670-1700	1650	+50	200-300
Kota (NC)	1690-1700	1660-1680	+20	400-500

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET

Rates for groundnut oil and seeds improved considerably today due to good physical demand. 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 65,000 to 80,000 bags per day. Rates for seeds were reported to be around Rs 410 to 415 per 20 Kg. Prices for groundnut oil scaled up by Rs 10 over previous days price and touched a figure of Rs 545 to 550 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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