

OILSEED DAILY

SOYBEAN

December 5, 2006

FUNDAMENTALS:

Spot markets in Maharashtra were reported to be closed on account of Datta Jayanti, a religious celebration. The ongoing workers strike in Indore Mandi affected day- to- day trading and hence no business transaction was reported. While in Rajasthan, sentiments remained range bound. Processing plants continued their offtake of beans in normal to higher proportions amidst restricted selling from stockists reported from Maharashtra. Total arrivals reported across the spot markets registered a considerable decline & as per market observer's daily arrivals would remain steady for day to come. The NCDEX contract for soybean reflected bearishness amidst predominant selling interest. Rates declined considerably due to weak sentiments for soy oil and soy meal in domestic market amidst weak palm oil futures in BMD. However average to good demand for soy meal during this winter season would prevent any steep reduction in rates for days to come.

PRICE DRIVERS:

1. Weak soy oil demand in domestic market amidst weak Palm oil futures at BMD.
2. Base import price for soy oil remains unchanged.
3. Decline in regular arrivals.
4. Weak soy meal sentiments in domestic market.
5. Lack of active buying as major spot markets remained closed.
6. Normal offtake processing units and millers.

WEATHER:

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

TECHNICALS

Dark candlestick with short lower shadow indicates bearish sentiments amidst 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 increased and OI declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	1326	1330	1345.95	1364	1372

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX December contract below 1355, T1-1346, T2-1333 and stop loss above 1362.

SPOT MARKET PRICES [Not Reported -NR]

Centers	Market	04.12.06	02.12.06	Change	Arrivals (Bags)
Indore	Plant	1370-1375	1370-1390	-15	1.75 lakhs - MP
Indore	Mandi	-	1340-1360	-	
Maharashtra	Plant	1400	1370-1390	+10	-
Maharashtra	Mandi	-	1410-1415	-	
Kota	Plant	1375-1380	1375-1385	-5	4,000 - 5,000 -Kota 25,000 - 35,000 Rajasthan.
Kota	Mandi	1330-1340	1330-1345	-5	

MUSTARD

FUNDAMENTALS:

Spot market rates declined due to relaxation in open market prices. Prominent buyers were stockists & millers. They continued their procurement in normal to higher proportions to take early advantage of reduced open market prices. The open market rates for mustard seed [stocked during 2005-06] declared by NAFED stood at Rs 1805-1840 per quintal in Rajasthan. Rates declined considerably owing to adverse weather condition prevailing over Rajasthan. The NCDEX Dec contract reflected bearish sentiments due to weak spot market sentiments and adverse weather conditions prevailing over Rajasthan. The Centre's notification for compulsory use of 20% mustard oil in the manufacture of Vanaspati would prevent any abrupt downfall in prevailing prices for day to come.

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 1805 to 1840 per qtl in Rajasthan
4. Reduced mustard acreage in UP, Haryana as per Centre's estimate, until second fortnight of Nov.
5. Weak oilmeal sentiments in domestic and overseas market.

WEATHER

Cloudy weather over few regions in Rajasthan amidst probability of rains within 24 hrs. The impact of prevailing western disturbances can't be ruled out. The weather is reported to be normal over other spot markets.

TECHNICALS

A large 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 further for the days to come. Volume increased and OI declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	370	375	384.7	392	398

TRADE RECOMMENDATION:

Buy NCDEX December contract above 378, T1-386, T2-389 and stop loss below 375.

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

Markets	04.12.06	02.12.06	Change	Arrivals (Bags)
Jaipur (C)	1960-1965	1995-2000	-35	12,000 to 15,000 -Rajasthan.
Alwar(C)	1900	1935-1940	-40	900-1000
Delhi(C)	2020-2030	2010-2115	-85	300-400
Agra(C)/Katchi Ghani	2050/4850	2100/4900	-50	-
Sri Ganganagar (NC)	1730-1735	1760-1765	-30	150-200
Kota (NC)	1750-1760	1800	-40	-

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Spot market sentiments remained steady on account of normal to weak demand for meal and oil in domestic market. Rates for groundnut seeds were quoted at Rs 404 to Rs 405 per 20 Kg for different quality of seeds. Groundnut oil was quoted at 535 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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