

## OILSEED DAILY

December 07, 2006

### SOYBEAN

#### FUNDAMENTALS:

Weak physical demand in spot markets declined the prices considerably. Plants were reported to have continued stockpiling of beans. Normal to good demand from processing units amidst substantial decline in arrivals firmed up the prices. Direct selling of beans by producers to stockists, processing units/millers & private companies at predetermined rates is said to have had substantial impact on day-to-day trading activities and is likely to have its affect felt for the days to come. Procurement of beans from Choupals besides Mandis was reported to be a continuous phenomenon. The NCDEX Dec contract reflects bearishness amidst weak soy oil sentiments in domestic and overseas market alike. Steady soymeal at domestic market checked further upward price movements.

#### PRICE DRIVERS:

1. Weak soy oil & steady soymeal demand in domestic market.
2. Base import price for soy oil remains unchanged.
3. Decline in regular arrivals.
4. Weak to average soymeal sentiments in domestic market.

#### WEATHER:

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

#### TECHNICALS

Small dark candlestick indicates bearish sentiments. Stochastic and MACD reflects decline in positive momentum. The prices closed below 9 day and 18 day EMA indicating weak sentiments ahead. Volume and OI declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	1330	1338	1351	1370	1375

#### TRADE RECOMMENDATION: (Intraday)

**Sell** NCDEX December contract below 1355, T1-1345, T2-1340 and stop loss above 1363.

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

Centers	Market	06.12.06	05.12.06	Change	Arrivals (Bags)
Indore	Plant	1350-1360	1330-1360	0	1.3 -1.4 lakhs - MP
Indore	Mandi	1300-1320	1330-1340	-20	
Maharashtra	Plant	1370-1380	1330-1360	+20	75,000 to 80,000 lakh bags
Maharashtra	Mandi	1330-1340	1350-1360	-20	
Kota	Plant	1370-1380	1320-1355	+25	25,000 - 30,000 Rajasthan.
Kota	Mandi	1325-1330	1350-1360	-30	

## MUSTARD

### FUNDAMENTALS:

NAFED didn't revise the rates for mustard seeds as on 06.12.06 due to weak physical demand witnessed over previously quoted rates. The open market rates for mustard seed [stocked during 2005-06] declared by NAFED stood at Rs 1810-1850 per quintal in Rajasthan. Spot markets reflected certain level of steadiness, as buyers didn't showed interest to purchase seeds at prevailing open market prices. The available buffer or carry forward stock with NAFED is sufficient to last till end of February 2007. Thus assuring for continuous seed supply amidst average to good physical demand from millers and stockists. The NCDEX Dec contract reflects bearishness due to lack of active buying in spot markets amidst weak rapeseed meal sentiments in domestic market.

### 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 1810 to 1850 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 14° C.

### TECHNICALS

Dark candlestick reflects bearishness. Stochastic and MACD are moving down indicating weak market sentiments. The prices closed below 9-day and 18 day EMA indicating steep fall in prices. Volume and OI declined.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	372	376	385.50	395	398

### TRADE RECOMMENDATION:

**Sell** NCDEX December contract below 390, T1-385, T2-378 and stop loss above 393.

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

Markets	06.12.06	05.12.06	Change	Arrivals (Bags)
Jaipur (C)	1960-1965	1960-1965	0	13,000 to 15,000 -Rajasthan.
Alwar(C)	1900	1900	0	900-1000
Delhi(C)	1990-2000	1980-1990	+10	200-250
Agra(C)/Katchi Ghani	2050/4850	2050/4850	0	-
Sri Ganganagar (NC)	1735-1740	1735	+5	100-150
Kota (NC)	1670-1700	-	-	300-450

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET

Spot market sentiments declined slightly on account of normal to weak oil meal demand in domestic market amidst decline in arrivals. Rates for groundnut seeds were quoted at Rs 402 to Rs 405 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.