

OILSEED DAILY

December 16, 2006

SOYBEAN

FUNDAMENTALS:

Weak to steady demand for soy oil in domestic market besides slightly improved soymeal demand at export front kept the sentiments almost steady. The spill over affect of yesterday's spot market sentiments on today's routine trading was well marked. Spot market rates recovered slightly amidst goof offtake of beans from stockists and millers alike, on account of winter demand for beans. As per market observers, ample stock of available beans in world market would keep oilseed prices under check except under speculation and hoarding of beans. The NCDEX January contract closed at 1371 against previous closing price of 1381 amidst prevailing spot market sentiments. Amidst normal to good soymeal and steady soy oil in domestic market, the Jan contract trader on weaker side.

PRICE DRIVERS:

1. Average to good physical demand for soymeal.
2. Attention of traders towards other oilseeds.
3. Reports of third outbreak of bird flu in South Korea.
4. Arrivals maintaining steady pace.
5. Steady soy oil sentiments in domestic market.
6. Hoarding of beans by producers and resourceful persons.

WEATHER:

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

TECHNICALS

Dark candlestick with prominent lower shadow indicates bearishness. Stochastic has curved down at current price levels. MACD has entered negative territory and indicates possible weak sentiments. The prices closed below 9-day & 18-day EMA. Volume increased marginally and OI registered slight decline.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	1365	1369	1371	1386	1392

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX January contract below 1382, T1-1376, T2-1372 and stop loss above 1384.

SPOT MARKET PRICES [Not Reported -NR]

Centers	Market	15.12.06	14.12.06	Change	Arrivals (Bags)
Indore	Plant	1365-1380	1365-1385	-5	80,000 to 90,000 bags - MP
Indore	Mandi	1315-1345	1320-1335	+10	
Maharashtra	Plant	1360-1365	1370-1375	-10	64,000 to 70,000 bags
Maharashtra	Mandi	1310-1340	1320-1350	-10	
Kota	Plant	1365-1375	1375-1385	-10	15,000 - 20,000 Rajasthan.
Kota	Mandi	1305-1320	1315-1330	-10	

MUSTARD

FUNDAMENTALS:

As per market news, NAFED would now retain around 60% of mustard seeds and would sell only 25% of total available stocks [estimated around 15 to 16 lakh tonnes]. The measure has been taken up to prevent any unforeseen contingency day-to-day trading for days to come. The open market rates for mustard seed [stocked during 2005-06] declared by NAFED stood at Rs 1735-1775 /1785 [For Rajasthan]. Prices were not revised today also. Spot market sentiments too followed the suit. Since NAFED kept the quoted rates steady, reselling of seeds by stockists continued at prevailing market prices and kept the sentiments largely mixed. The NCDEX January contract reflected bearishness due to higher selling interest among traders at steady open market prices of mustard seeds. The market closed below previous day's closing price level.

PRICE DRIVERS:

1. Sole availability of mustard seeds with NAFED.
2. NAFED selling seeds from Rs 1735 to 1775/1785 per qtl in Rajasthan.
3. Traders reported to be comfortable with available seed stock with private and Government sources,
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

Clear weather has been reported over mustard growing region.

TECHNICALS

Dark candlestick with having short upper shadow reflects bearishness. Stochastic has made bearish crossover in oversold region and declining down. MACD too has scaled down indicating weak market sentiments. The prices closed well below 9-day and 18-day EMA indicating steep decline in prices. Volume declined and OI hiked marginally.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	372	378	382.5	395	399

TRADE RECOMMENDATION:

Sell NCDEX January contract below 390, T1-386, T2-382 and stop loss above 392.

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

Markets	15.12.06	14.12.06	Change	Arrivals (Bags)
Jaipur (C)	1910-1915	1915-1920	-5	10,000 to 15,000 -Rajasthan.
Alwar(C)	1850	1840-1850	0	600-700
Delhi(C)	1970	1960-1965	+5	400-600
Agra(C)/Katchi Ghani	2000/4800	2000/4800	0	-
Sri Ganganagar (NC)	1680	1680-1685	-5	300
Kota (NC)		1700-1735		200-500

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Spot market sentiments improved slightly amidst weak to normal demand for groundnut DOC and groundnut oil. Rates for groundnut seeds were quoted at Rs 395 to 405 per 20 Kg for different quality/grades of seeds. Groundnut oil was quoted at 530 to 535 per 10Kg. Arrivals was reported to be steady to a tune of around 70,000 to 80,000 bags. Demand from livestock industries has started off and would eventually catch up the pace. Lower groundnut production in Andhra Pradesh & Karnataka for this year amidst projected decline in acreage for 2006-2007 had its affect felt in major spot markets.

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