

OILSEED DAILY

December 26, 2006

SOYBEAN

FUNDAMENTALS:

Despite weekend, active trading was witnessed across the markets to cover up for Christmas holiday. Arrivals for soybean improved considerably across the spot markets. Producers and stockists were found to have brought beans in bulk and sold off at good rates. Good offtake of beans from millers, processing units and stockists gave additional support to physical demand across spot markets. The NCDEX January contract closed at 1397.3 against previous closing price of 1378.10. Good demand for soybean in physical market, firm soy futures in overseas and winter demand for soy oil in domestic market supported soy futures.

PRICE DRIVERS:

1. Improved 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

Unfilled candlestick indicates bullishness. Stochastic is surging up. MACD is hovering in the negative territory and has curved up indicating possible recovery from weak market sentiments. The prices closed above 9-day & 18-day EMA. Both Volume & open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	1373	1383	1397.30	1410	1420

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX January contract above 1393, T1-1410 and stop loss below 1386.

SPOT MARKET PRICES [Not Reported -NR]

Centers	Market	23.12.06	22.12.06	Change	Arrivals (Bags)
Indore	Plant	1380-1400	1360-1385	+15	80,000 TO 90,000 in MP.
Indore	Mandi	1320-1360	1325-1335	+25	
Maharashtra	Plant	1400-1420	1375-1380	+40	60,000 to 65,000 bags
Maharashtra	Mandi	1330-1370	1335-1340	+30	
Kota	Plant	1370-1390	1360-1370	+20	22,000 to 25,000 Rajasthan.
Kota	Mandi	1330-1335	1325-1330	+5	

MUSTARD

FUNDAMENTALS:

The open market rates for mustard seed [stocked during 2005-06] as declared by NAFED, was quoted at Rs 1745/qttl across the centres. Resellers sold off seeds in consensus with prevailing market trend. As per market observers, traders and stockists are buying seed in bulk thus firming up demand during off-season. The NCDEX January contract reflected bullishness. The January contract closed at 382.8 against previous closing of 376.40. 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 1745 per qtl.
3. Reduced mustard acreage in UP, Haryana as per Centre's estimate, until second fortnight of Nov.
4. Weak demand for rapeseed meal in domestic market.

WEATHER

Dry and clear weather reported over Rajasthan. Isolated rain thunderstorms likely over Haryana, Punjab and western UP after Christmas.

TECHNICALS

Long unfilled candlestick indicates bullishness. Stochastic has made a crossover in oversold region and curving up. MACD has scaled down into negative territory. The prices closed between 9-day and 18-day EMA. Both Volume and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	368	372	382.80	385	390

TRADE RECOMMENDATION:

Buy NCDEX January contract above 378, T1-383 and stop loss below 375.

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

Markets	23.12.06	22.12.06	Change	Arrivals (Bags)
Jaipur (C)	1910-1915	1900-1910	+5	12,000 to 15,000 -Rajasthan.
Alwar(C)	1840-1850	1825-1830	+20	600-700
Delhi(C)	1960	1960-1965	-5	300-400
Agra(C)/Katchi Ghani	2000/4700	2000/4700	0	-
Sri Ganganagar (NC)	1700-1725	1670-1700	+25	200-300
Kota (NC)	1700-1720	1690-1700	+20	400-500

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Rates for groundnut oil and seeds improved considerably today due to good demand from dairy farms and animal feed industry. Firm demand for veg oil gave additional support to spot market moves. 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 418 per 20 Kg. Prices for groundnut oil scaled up by Rs 10 over previous days price and touched a figure of Rs 550 to 555 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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