

OILSEED DAILY

SOYBEAN

December 2nd, 2006

FUNDAMENTALS:

Amidst steady arrivals, demand for beans increased after Centre left the base import prices of soy oil unchanged for the coming fortnight. Processing units continued their offtake, but in slightly higher proportions. Although demand for soymeal was weak, but as per market observers the demand from livestock industry would help retrace back its normal demand. Stockists continued their offtake in anticipation to sell off when rates turn out to be more lucrative in long term. NCDEX Dec contract traded with bearish sentiments amidst weak demand for soymeal in domestic and world market. Steady soy oil sentiments in domestic market added to slight bearishness, however no change in base import prices and tariff structure for soy oil prevented any downfall.

PRICE DRIVERS:

1. Weak soymeal demand in domestic & overseas market.
2. Base import price for soy oil remains unchanged.
3. Decline in base arrivals.
4. Average physical demand.
5. Higher offtake processing units and millers.

WEATHER:

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

TECHNICALS

Small-dark candlestick indicates bearish sentiments with 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 and OI declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	1370	1375	1383	1402	1408

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX December contract below 1390, T1-1384, T2-1378 and stop loss above 1395.

SPOT MARKET PRICES [Not Reported -NR]

Centers	Market	01.12.06	30.11.06	Change	Arrivals (Bags)
Indore	Plant	1380-1400	1390-1400	0	6000- 7,000 - Indore 3 to 3.5 lakhs - MP
Indore	Mandi	1350-1370	1360-1380	-10	
Maharashtra	Plant	1410-1420	1400-1410	+10	90,000 to 1.2 lakh
Maharashtra	Mandi	1370-1400	1350-1380	+20	
Kota	Plant	1375-1395	1370-1390	+5	5,000 - 6,000 -Kota 30,000 - 35,000 Rajasthan.
Kota	Mandi	1345-1355	1335-1355	0	

MUSTARD

FUNDAMENTALS:

The open market rates for mustard seed [last years stocked seeds] declared by NAFED stood at Rs 1895 per quintal. Rates were Rs 5 dearer to yesterday's rates. As per market observers, there exists difference of opinion in terms of buying support at highest price level for this week. Millers and stockists continued offtake under presumption that open market rates may scale up further for the days to come. Crushing of seeds has been reported to be continuous. Stockists and millers continued building up private seed stocks in wake of any contingency ahead. The NCDEX Dec contract reflected slight bullish sentiments amidst certain level of indecisiveness. Nearly firm spot markets gave additional support to upward price movements.

PRICE DRIVERS:

1. Sole availability of mustard seeds with NAFED.
2. NAFED selling seeds at Rs 1895/qt.
3. Mustard acreage giving way to pulses and cereals.
4. Weak oilmeal sentiments in domestic and overseas market.
5. Prices may shoot up in near term.

WEATHER

Dry weather over the region is conducive for mustard crop except for wet spells starting next week due to ongoing western disturbances.

TECHNICALS

Small-body candlestick reflects slight bullishness amidst indecisiveness. 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 for the days to come. Volume increase marginally and OI declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Dec	381	388	394.55	401	404

TRADE RECOMMENDATION:

Sell NCDEX December contract below 396, T1-393, T2-387 and stop loss above 399.

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

Markets	01.12.06	30.11.06	Change	Arrivals (Bags)
Jaipur (C)	1990-1995	1970-1980	+15	15,000 to 20,000 -Rajasthan.
Alwar(C)	1930-1940	1900-1910	+30	900-1000
Delhi(C)	2000	1980-1985	+15	400-500
Agra(C)/Katchi Ghani	2100/4950	2100/4950	0	-
Sri Ganganagar (NC)	1750-1755	1730-1735	+20	200-300
Kota (NC)		-	-	-

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Spot market sentiments improved slightly on slight increase in arrivals amidst demand for meal and oil respectively. Rates for groundnut seeds were quoted at Rs 404 to Rs 410 per 20 Kg for different quality of seeds. Groundnut oil was quoted at 530 to 535 per 10Kg. Arrivals was reported to be steady to a tune of around 1.20 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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