

OILSEED DAILY

December 15, 2006

SOYBEAN

FUNDAMENTALS:

An interplay of many factors accounted today's spot market sentiments. Reports of outbreak of third outbreak of Bird Flu in South Korea, traders awaiting Centre's decision on tariff rates revision for soy oil, weekly export sales data for soybean complex in overseas market, steady physical demand and hoarding of beans by stockists and producers alike had a strong impact on today's day to day trading. Arrivals were reported to steady and demand for beans now largely depend on ready availability of beans amidst demand for substitute oilseeds. The NCDEX January contract closed at 1381 against previous closing price of 1377.4 amidst weak soy futures in overseas market due to speculative buying.

PRICE DRIVERS:

1. Weak physical demand for soymeal.
2. Attention of traders towards other oilseeds.
3. Reports of third outbreak of bird flu in South Korea.
4. Traders waiting for Centre's decision on tariff revision for soy oil.
5. Arrivals maintaining steady pace.
6. Steady soy oil sentiments in domestic market.
7. Hoarding of beans by producers and resourceful persons.

WEATHER:

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

TECHNICALS

Unfilled candlestick indicates bullishness. Stochastic is surging up towards overbought region. MACD has entered negative territory and indicates possible weak sentiments. The prices closed near 9-day EMA. Volume declined and OI registered marginal hike.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	1360	1368	1381	1388	1392

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX January contract above 1374, T1-1377, T2-1385 and stop loss below 1370.

SPOT MARKET PRICES [Not Reported -NR]

Centers	Market	14.12.06	13.12.06	Change	Arrivals (Bags)
Indore	Plant	1365-1385	1380-1400	-15	75,000 to 80,000 bags - MP
Indore	Mandi	1320-1335	1320-1350	-15	
Maharashtra	Plant	1370-1375	1375-1400	-25	70,000 bags
Maharashtra	Mandi	1320-1350	1310-1345	+5	
Kota	Plant	1375-1385	1380-1400	-15	18,000 - 20,000 Rajasthan.
Kota	Mandi	1315-1330	1320-1345	-15	

MUSTARD

FUNDAMENTALS:

Despite dwindling stocks of mustard seeds, traders are reported to be comfortable with available seeds with private and government sources thus keeping demand almost steady to normal. They opine that monthly selling off around 5 lakh tonnes of seeds until new harvest, would keep the crushing and offtake a regular phenomenon without much change in sentiments. 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. Spot market sentiments too followed the suit. Stockists were actively selling off seeds to processing units at as per open market prices declared by NAFED. The NCDEX January contract reflected bullishness due to higher buying interest among traders amidst prevailing open market prices of mustard seeds.

PRICE DRIVERS:

1. Sole availability of mustard seeds with NAFED.
2. Reselling rates for mustard seeds yet to be declared by whole-seller/stockists.
3. NAFED selling seeds from Rs 1735 to 1775//1785 per qtl in Rajasthan.
4. Traders reported to be comfortable with available seed stock with private and Government sources,
5. Reduced mustard acreage in UP, Haryana as per Centre's estimate, until second fortnight of Nov.
6. Weak rapeseed meal sentiments in domestic market.

WEATHER

Clear weather has been reported over mustard growing region except for ground frost at North Rajasthan, which normally hampers seed setting at flowering stage.

TECHNICALS

Unfilled candlestick indicates bullishness. 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	367	373	386.5	394	398

TRADE RECOMMENDATION:

Buy NCDEX January contract above 380, T1-385, T2-391 and stop loss below 376.

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

Markets	14.12.06	13.12.06	Change	Arrivals (Bags)
Jaipur (C)	1915-1920	1925-1930	-10	10,000 -Rajasthan.
Alwar(C)	1840-1850	1860-1870	-20	700-800
Delhi(C)	1960-1965	1975	-10	200-300
Agra(C)/Katchi Ghani	2000/4800	2025/4800	-25	-
Sri Ganganagar (NC)	1680-1685	1700-1710	-25	300
Kota (NC)	1700-1735	1710-1750	-15	200-500

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Spot market sentiments remained steady amidst weak to normal demand for groundnut DOC and groundnut oil. Rates for groundnut seeds were quoted at Rs 395 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 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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