

OILSEED DAILY

December 14, 2006

SOYBEAN

FUNDAMENTALS:

Supply of soybeans didn't register any significant change and remained steady amidst weak demand for soymeal in domestic market. Physical demand for beans is intact but unavailability of ready stocks of beans in bulk has considerably affected the open market prices. Buffer stocks with plants are reported sufficient enough to continue normal crushing, but would not last long in long run. Restricted selling from stockists and hoarding of beans with producers has become a routine phenomenon. The NCDEX January contract closed lower against yesterday's closing price and reflected bearishness. Weak soymeal and soy oil in domestic market weakened the market sentiments further.

PRICE DRIVERS:

1. Normal to good demand for soymeal in domestic markets.
2. Traders actively buying other available oilseeds amidst focus on soybeans.
3. Arrivals maintaining steady pace.
4. Steady soy oil sentiments in domestic market.
5. 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 indicates bearishness. 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 and OI declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	1362	1368	1375	1387	1392

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX January contract below 1382, T1-1378, T2-1372 and stop loss above 1384.

SPOT MARKET PRICES [Not Reported -NR]

Centers	Market	13.12.06	12.12.06	Change	Arrivals (Bags)
Indore	Plant	1380-1400	1380-1400	0	90,000 to 1 lakh bags - MP
Indore	Mandi	1320-1350	1330-1340	+10	
Maharashtra	Plant	1375-1400	1380-1420	-20	70,000 bags
Maharashtra	Mandi	1310-1345	1325-1350	-5	
Kota	Plant	1380-1400	1380-1400	0	18,000 - 20,000 Rajasthan.
Kota	Mandi	1320-1345	1320-1345	0	

MUSTARD

FUNDAMENTALS:

The open market rates for mustard seed [stocked during 2005-06] declared by NAFED stood at Rs 1735-1785 [For Rajasthan]. Prices were revised down by Rs 15 per qtl, as buyers showed normal interest at prevailing prices. Spot market sentiments too followed the suit. Stockists were said to have eased down the prices for mustard seeds in consensus with prevailing trend and resold the seeds to millers and crushing plants in bulk. However, demand for mustard seeds is reported normal and expected to improve with further relaxation in prices. The NCDEX January contract reflected bearishness amidst slight indecisiveness to sustain trade at this price levels. The contract closed lower at 385.5 as compared to previous closing of 387.80.

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 1785 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

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

Dark candlestick with longer upper shadow and slightly short lower shadow indicates bearishness. Stochastic has made bearish crossover in oversold region. MACD is moving down indicating weak market sentiments. The prices closed well below 9-day and 18-day EMA indicating steep decline in prices. Both Volume and OI declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	370	377	385.5	395	400

TRADE RECOMMENDATION:

Sell NCDEX January contract below 390, T1-388, T2-380 and stop loss above 398.

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

Markets	13.12.06	12.12.06	Change	Arrivals (Bags)
Jaipur (C)	1925-1930	1955-1960	-30	10,000 -Rajasthan.
Alwar(C)	1860-1870	1880-1890	-20	700-800
Delhi(C)	1975	1990	-15	200-300
Agra(C)/Katchi Ghani	2025/4800	2050/4850	0	-
Sri Ganganagar (NC)	1700-1710	1730	-20	300
Kota (NC)	1710-1750	1700-1765	-15	300-500

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 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 70,000 to 90,000 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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