

OILSEED DAILY

December 18, 2006

SOYBEAN

FUNDAMENTALS:

Spot markets sentiments reflected steady tone except for slight decline in rates at MP amidst sluggish arrivals and weekend trading. Weak demands for soymeal and soy oil in domestic market have had considerable impact on routine trading today. Hoarding of beans by producer and stockists alike brought down the arrivals at different spot markets. The NCDEX January contract closed at 1357.50 against previous closing price of 1371 after considerable gap opening. Weak soy futures at CBOT led domestic futures trade at weaker side and thus indicated bearishness. However slight firmness in domestic soymeal would prevent any abrupt decline for days to come.

PRICE DRIVERS:

1. Weak soy futures at overseas.
2. Attention of traders towards other oilseeds.
3. Sluggish arrivals.
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 has made a bearish cross over. MACD has entered negative territory and indicates possible weak sentiments. The prices closed below 9-day & 18-day EMA. Volume and OI declined.



SUPPORT / RESISTANCES:

| Contract | S2 | S1 | PCP | R1 | R2 |
|-----------|------|------|--------|------|------|
| NCDEX Jan | 1349 | 1354 | 1357.5 | 1376 | 1385 |

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX January contract above 1361, T1-1365, T2-1371 and stop loss below 1358.

SPOT MARKET PRICES [Not Reported -NR]

| Centers | Market | 16.12.06 | 15.12.06 | Change | Arrivals (Bags) |
|-------------|--------|-----------|-----------|--------|----------------------------|
| Indore | Plant | 1350-1360 | 1365-1380 | -20 | 50,000 to 60,000 bags - MP |
| Indore | Mandi | 1310-1325 | 1315-1345 | -20 | |
| Maharashtra | Plant | 1360-1365 | 1360-1365 | 0 | 55,000 to 60,000 bags |
| Maharashtra | Mandi | 1310-1340 | 1310-1340 | 0 | |
| Kota | Plant | 1365-1375 | 1365-1375 | 0 | 18,000 - 20,000 Rajasthan. |
| Kota | Mandi | 1305-1320 | 1305-1320 | 0 | |

MUSTARD

FUNDAMENTALS:

As per market observers, weak demand for rapeseed meal in domestic market amidst steady sentiments for edible oil, offtake of seeds didn't registered any major change and remained steady. Most of the stockists, millers and crushing units maintained regular offtake to maintain their buffer reserve. 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 at weekend. Spot market sentiments too followed the suit. The NCDEX January contract reflected bearishness due to higher selling interest among traders and steady spot market sentiments. The January contract closed at 378.30 against previous closing of 382.5 after a considerable gap opening.

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 reflects bearishness. Stochastic has declined steeply. 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 and OI hiked marginally.



SUPPORT / RESISTANCES:

| Contract | S2 | S1 | PCP | R1 | R2 |
|-----------|-----|-----|-------|-----|-----|
| NCDEX Jan | 362 | 368 | 378.3 | 390 | 395 |

TRADE RECOMMENDATION:

Sell NCDEX January contract below 384, T1-379, T2-372 and stop loss above 387.

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

| Markets | 16.12.06 | 15.12.06 | Change | Arrivals (Bags) |
|----------------------|-----------|-----------|--------|------------------------------|
| Jaipur (C) | 1910 | 1910-1915 | -5 | 10,000 to 12,000 -Rajasthan. |
| Alwar(C) | 1830 | 1850 | -20 | 600-700 |
| Delhi(C) | 1960 | 1970 | -10 | 400-600 |
| Agra(C)/Katchi Ghani | 1975/4700 | 2000/4800 | -25 | - |
| Sri Ganganagar (NC) | 1680 | 1680 | 0 | Arrivals not reported |
| Kota (NC) | - | - | - | - |

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Spot market reflected steady sentiments due to sluggishness in arrivals and weak demand for oil meal. Rates for groundnut seeds were quoted at Rs 400 to 403 per 20 Kg for different quality/grades of seeds. Groundnut oil was quoted at 525 to 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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