

## OILSEED DAILY

December 30, 2006

### SOYBEAN

#### FUNDAMENTALS:

As per market observers in MP, good rates offered for beans are prompting producers to bring beans in bulk. Moreover stockists too were said to be disposing off beans on regular basis owing to winter demand from processing units. Improved soymeal sentiments at ports, temporary weakness in soy oil sentiments and steady arrivals at different centres and good offtake from solvent extraction units helped rates improve at few places. The NCDEX January contract closed at 1393 against previous closing price of 1404.90. Interplay of firm soy futures at CBOT and weak palm oil futures kept the sentiments mixed and prevented buyers from dominating the trade at the back drop of good seasonal demand for edible oil.

#### PRICE DRIVERS:

1. Steady arrivals for beans.
2. Temporary weakness in soy oil sentiments in domestic market.
3. Steady soymeal rates at ports.
4. Solvent extraction units purchasing beans in bulk.
5. Stockists disposing off beans at prevailing market prices.
6. Decrease in crushing margins at processor end.

#### WEATHER:

Weather is reported to be clear to facilitate arrivals.

#### TECHNICALS

Dark candlesticks indicate bearishness. Stochastic has made a bearish cross over in overbought region indicating a technical correction. MACD has surged up in positive territory. The prices closed marginally above the 9-day & 18-day EMA indicating positive momentum likely to sustain. Both Volume & open interest declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	1378	1382	1393	1408	1414

#### TRADE RECOMMENDATION: (Intraday)

Sell NCDEX January contract below 1397, T1-1386 and stop loss above 1404.

#### SPOT MARKET PRICES [Not Reported -NR]

Centers	Market	29.12.06	28.12.06	Change	Arrivals (Bags)
Indore	Plant	1400-1420	1400-1415	+5	95,000 to 1,00,000 in MP.
Indore	Mandi	1360-1380	1350-1375	+5	
Maharashtra	Plant	1410-1430	1395-1420	+10	45,000 to 60,000 bags
Maharashtra	Mandi	1355-1375	1350-1360	+15	
Kota	Plant	1390-1400	1390-1410	-10	20,000 to 25,000 Rajasthan.
Kota	Mandi	1320-1350	1330-1350	0	

## MUSTARD

### FUNDAMENTALS:

As per discretion of NAFED, around 15 to 20% of carry forward stock is left with NAFED to be disposed off across the spot markets before harvest of Rabi mustard. Dwindling seed stock with NAFED prompted stockists to purchase seeds in bulk. Arrivals in Delhi were reported negligible. Owing to limited arrivals of mustard bags in Jaipur region coupled with firm demand from crushing mills and upward price revision by NAFED, resellers/stockists quoted higher rates for mustard seeds. The open market rates for mustard seed [stocked during 2005-06] were quoted at Rs 1755/qttl to Rs 1775/qttl, a marginal hike of Rs 10 per qtl over yesterday's rates. However, the rates for seeds were revised down in Haryana from Rs 1725 per qtl to Rs 1700 per qtl. The NCDEX January contract closed at 373.0 against previous closing of 380.60 owing to lack of buying support at prevailing open market prices.

### PRICE DRIVERS:

1. Dwindling seed stocks with NAFED.
2. NAFED selling seeds at Rs 1755 to Rs 1775 per qtl.
3. Stockpiling continued at traders end.
4. Slight decline in arrivals at few regions.

### WEATHER

Dry weather reported over mustard growing regions.

### TECHNICALS

Large dark candlesticks indicate bearishness. MACD has moved down into negative territory and Stochastic too has made a bearish cross over indicating for weak sentiments ahead. The prices closed well below 9-day and 18 day EMA. Volume increased marginally and open interest declined.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	360	363	373	382	387

### TRADE RECOMMENDATION:

**Sell** NCDEX January contract below 376, T1-368 and stop loss above 379.

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

Markets	29.12.06	28.12.06	Change	Arrivals (Bags)
Jaipur (C)	1915-1920	1925-1930	-10	10,000 -Rajasthan.
Alwar(C)	1850-1860	1860-1870	-10	700-800
Delhi(C)	1990	1980-1990	0	400-600
Agra(C)/Katchi Ghani	2000/4700	2000/4750	0	-
Sri Ganganagar (NC)	1670	1670-1680	-10	200-300
Kota (NC)		-		-

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET

Rates for groundnut oil scaled up marginally amidst limited availability of nuts and good demand for edible oil. Arrivals were reported to be in the tune of 60,000 to 85,000 bags per day. Rates for seeds were reported to be around Rs 410 to 422 per 20 Kg. Prices for groundnut oil was quoted at Rs 555 to 560 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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