

OILSEED DAILY

December 12, 2006

SOYBEAN

FUNDAMENTALS:

Steady pace for arrivals, normal to good demand from processing units and limited number of active buyers were few of the common observations made across different spot markets in MP, Rajasthan and Maharashtra. Beans are procured in lesser proportions due to limited quantity of available beans in mandis, although requirements are for higher volumes. Since processing units procure beans in bulk, they are sourcing out beans from stockists as producers are holding back their stocks and simultaneously bringing less quantity of beans to sell off. Good demand for soymeal initially firmed up offtake of beans but had negligible impact on overall demand. The NCDEX Jan contract traded firm due to good buying support. Normal to good buying support for soymeal amidst mixed sentiments for domestic soy oil gave additional support to soybean futures.

PRICE DRIVERS:

1. Normal to good demand for soymeal in domestic markets.
2. Arrivals maintaining steady pace.
3. Weak soy oil sentiments in domestic market.
4. Producers slowed down their sales.
5. Persistent demand at these price levels.

WEATHER:

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

TECHNICALS

Unfilled candlestick indicates bullishness. Stochastic is surging up and has crossed oversold region. MACD is moving down indicating weak market sentiments. The prices closed near 18-day EMA and opened below 9-day EMA. Both Volume and OI increased substantially.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	1360	1367	1391	1403	1410

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX January contract above 1378, T1-1386, T2-1396 and stop loss below 1370.

SPOT MARKET PRICES [Not Reported -NR]

Centers	Market	11.12.06	09.12.06	Change	Arrivals (Bags)
Indore	Plant	1360-1370	1360-1375	-5	90,000 to 1 lakh bags - MP
Indore	Mandi	1290-1340	1320-1350	-10	
Maharashtra	Plant	1390-1400	1390-1400	0	70,000 to 80,000 lakh bags
Maharashtra	Mandi	1350-1370	1350-1370	0	
Kota	Plant	1370-1380	1370-1380	0	4000 - Kota 22,000 - 26,000 Rajasthan.
Kota	Mandi	1320-1335	1320-1335	0	

MUSTARD

FUNDAMENTALS:

Wheat in Haryana and Bengal Gram in MP has taken up most of the mustard acreage thus further strengthening decline in Rabi mustard seed production. The very observation amidst mustard seed demand for this winter would keep demand intact for the days to come. Physical demand for mustard seeds firmed up at few places as NAFED eased the open market rates by Rs 10 per qtl. As per market observers, spot market well follows the open market prices revised by NAFED from time to time basis. The open market rates for mustard seed [stocked during 2005-06] declared by NAFED stood at Rs 1810-1850. The NCDEX Jan contract traded bullish as NAFED eased down the open market prices amidst good buying support. However under uncertainty over direction of open market price trend, the futures are likely to trade range bound.

PRICE DRIVERS:

1. Sole availability of mustard seeds with NAFED.
2. Centre's directive to compulsorily add 20% mustard oil in Vanaspati.
3. NAFED selling seeds from Rs 1810 to 1850 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.

TECHNICALS

Unfilled candlestick reflects bullishness. Stochastic lies in oversold region. MACD is moving down indicating weak market sentiments. The prices closed well below 9-day and 18-day. EMA indicating slight decline in prices. Volume increased marginally and OI remained steady.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	384	386	392.5	398	402

TRADE RECOMMENDATION:

Sell NCDEX January contract below 395, T1-392, T2-389 and stop loss above 397.

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

Markets	11.12.06	09.12.06	Change	Arrivals (Bags)
Jaipur (C)	1950-1960	1955-1960	0	10,000 to 15,000 -Rajasthan.
Alwar(C)	1880-1890	1860-1880	+10	700-800
Delhi(C)	1980	1985-1990	-10	200-300
Agra(C)/Katchi Ghani	2050/4850	2050/4850	0	-
Sri Ganganagar (NC)	1720-1725	1720-1725	0	150-200
Kota (NC)	1700-1765	1690-1745	+20	400-500

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Spot market sentiments reflected steady tone on account of normal demand for groundnut meal and groundnut oil in domestic market. Rates for groundnut seeds were quoted at Rs 395 to Rs 398 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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