

OILSEED DAILY

SOYBEAN

1st January 2006

FUNDAMENTALS:

Demand from local processing units and solvent extraction plants helped demand firm up despite weekend trading. On account of it producers and stockists in Maharashtra and Rajasthan were reported to have sold off beans in bulk across spot markets. However, to meet winter demand, large plants procured beans continued offtake of beans from private Choupals also. As per traders, the weakness in soy oil is a temporary one and would not sustain long. The NCDEX January contract closed at 1393.45 just near the previous closing levels of 1393.0. Firm sentiments for soybean and weak sentiments for soy oil in overseas made the domestic soy futures react accordingly and remained slightly indecisive.

PRICE DRIVERS:

1. Improved arrivals for beans across Maharashtra and Rajasthan.
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 and is declining steadily. MACD is hovering in neutral 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	1365	1373	1393.45	1395	1400

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX January contract below 1386, T1-1378 and stop loss above 1390.

SPOT MARKET PRICES [Not Reported -NR]

Centers	Market	30.12.06	29.12.06	Change	Arrivals (Bags)
Indore	Plant	1390-1400	1400-1420	-20	95,000 to 1,00,000 in MP.
Indore	Mandi	1350-1375	1360-1380	-5	
Maharashtra	Plant	1430-1435	1410-1430	+5	60,000 to 65,000 bags
Maharashtra	Mandi	1380-1400	1355-1375	+25	
Kota	Plant	1390-1400	1390-1400	0	30,000 to 35,000 Rajasthan.
Kota	Mandi	1330-1360	1320-1350	+10	

MUSTARD

FUNDAMENTALS:

NAFED had revised down the open market prices and spot markets followed. The open market rates for mustard seed [stocked during 2005-06] were quoted at Rs 1735/qttl to Rs 1765/qttl at Kota and Jaipur region respectively. Despite weekend, active trading was witnessed at few regions to take advantage of eased down prices, however weak demand for mustard oil prevented demand from firming up further. As per traders, rates quoted by resellers would be a matter of concern to decide on market direction for next week. The NCDEX January contract closed at 369.50 against previous closing of 373.0. Traders showed little interest to provide buying support at prevailing open market prices.

PRICE DRIVERS:

1. Dwindling seed stocks with NAFED.
2. NAFED selling seeds at Rs 1735 to Rs 1765 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

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. Both Volume and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	364	368	369.50	379	382

TRADE RECOMMENDATION:

Sell NCDEX January contract below 375, T1-371 and stop loss above 377.

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

Markets	30.12.06	29.12.06	Change	Arrivals (Bags)
Jaipur (C)	1890-1900	1915-1920	-20	10,000 -Rajasthan.
Alwar(C)	1850-1860	1850-1860	0	500-700
Delhi(C)	1960-1970	1990	-20	300-400
Agra(C)/Katchi Ghani	2000/4700	2000/4700	0	-
Sri Ganganagar (NC)	1660	1670	-10	100-200
Kota (NC)	-	-	-	-

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Rates for groundnut remained steady at previous price levels amidst weekend trading. Arrivals were reported to have declined but approx figures were not available. 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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