

OILSEED DAILY

December 19, 2006

SOYBEAN

FUNDAMENTALS:

Amidst weak demand for soy oil and soymeal coupled with improved arrivals in MP and Maharashtra, rates for beans declined across the spot markets. Stockists were reported to have sold off beans at prevailing market prices on account of presumed weakness in soy complex to continue for days to come. Stockpiling continued at millers end. The NCDEX January contract closed at 1335.65 against previous closing price of 1357.5 after considerable gap in opening. Weak spot market sentiments reflected well on futures trading.

PRICE DRIVERS:

1. Improved arrivals in MP and Maharashtra.
2. Weak soy oil demand in domestic market.
3. Steady to weak soymeal demand.
4. Increase in arrival pressure.
5. Stockpiling continued at millers end.

WEATHER:

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

TECHNICALS

Dark candlestick with prominent lower shadow indicates bearishness. Stochastic has made a bearish cross over and scaling down. MACD has entered negative territory and indicates possible weak sentiments. The prices closed below 9-day & 18-day EMA. Volume increased considerably whereas open interest registered marginal hike.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	1300	1316	1335.65	1358	1365

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX January contract below 1345, T1-1330, T2-1320 and stop loss above 1352.

SPOT MARKET PRICES [Not Reported -NR]

Centers	Market	18.12.06	16.12.06	Change	Arrivals (Bags)
Indore	Plant	1330-1350	1350-1360	-10	80,000 to 90,000 bags - MP
Indore	Mandi	1280-1310	1310-1325	-15	
Maharashtra	Plant	1365-1375	1360-1365	+10	60,000 to 65,000 bags
Maharashtra	Mandi	1270-1325	1310-1340	-15	
Kota	Plant	1350-1360	1365-1375	-15	18,000 - 20,000 Rajasthan.
Kota	Mandi	1315-1320	1305-1320	0	

MUSTARD

FUNDAMENTALS:

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 today. Spot market sentiments too followed the suit. Despite weak physical demand, offtake of seeds from crushing units continued at prevailing market rates, but in limited quantities. The NCDEX January contract reflected bearishness due to higher selling interest among traders and steady spot market sentiments. The January contract closed at 373.2 against previous closing of 378.3 after a considerable gap in 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 into oversold region. 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 increased and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	356	362	373.2	382	386

TRADE RECOMMENDATION:

Sell NCDEX January contract below 375, T1-371, T2-366 and stop loss above 379.

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

Markets	18.12.06	16.12.06	Change	Arrivals (Bags)
Jaipur (C)	1900	1910	-10	10,000 to 12,000 -Rajasthan.
Alwar(C)	1840-1850	1830	+20	700-800
Delhi(C)	1940-1945	1960	-15	400-500
Agra(C)/Katchi Ghani	1950/4650	1975/4700	-25	-
Sri Ganganagar (NC)	1670	1680	-10	Arrivals not reported
Kota (NC)	1670-1700	-		400-500

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Spot market rates for groundnut declined marginally on account of fresh arrivals from Rajasthan. Rates for groundnut seeds were quoted at Rs 395 to 400 per 20 Kg for different quality/grades of seeds. Groundnut oil was quoted at 520 to 525 per 10Kg. 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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