

## OILSEED DAILY

December 28, 2006

### SOYBEAN

#### FUNDAMENTALS:

Amidst religious celebration by Jain community, routine trading was partially offset across MP except for slight activity noticed in Bhopal. Arrivals of beans in MP declined considerably. Weak sentiments for edible oil prevented physical demand from firming up at few places. However, as per market observers, solvent extraction units continued regular offtake of beans in bulk so as to suffice for buffer stocks for next fortnight. The NCDEX January contract closed at 1391.25 against previous closing price of 1400.85. Selling interest dominated during trading owing to weak sentiments for soy oil in domestic market.

#### PRICE DRIVERS:

1. Considerable decline in arrivals.
2. Weak to normal demand for soymeal at domestic front.
3. Stockpiling continued at millers end.
4. Weak demand for soy oil in domestic market.
5. Decrease in crushing margins at processor end.

#### WEATHER:

Weather is reported to be clear to facilitate arrivals.

#### TECHNICALS

Dark candlesticks indicate bearishness. Stochastic has surged up and hovering in overbought region. MACD is scaling up towards positive territory. The prices closed above 9-day & 18-day EMA. Volume & open interest declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	1363	1370	1391.25	1399	1406

#### TRADE RECOMMENDATION: (Intraday)

**Sell** NCDEX January contract below 1390, T1-1382, T2-1375 and stop loss above 1395.

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

Centers	Market	27.12.06	26.12.06	Change	Arrivals (Bags)
Indore	Plant	1410-1425	1410-1420	+5	30,000 to 40,000 in MP.
Indore	Mandi	1340-1375	1345-1360	+15	
Maharashtra	Plant	1400-1420	1430-1440	-20	45,000 to 50,000 bags
Maharashtra	Mandi	1330-1370	1380-1390	-20	
Kota	Plant	1400-1410	1405-1420	-10	20,000 to 25,000 Rajasthan.
Kota	Mandi	1335-1360	1350-1370	-10	

## MUSTARD

### FUNDAMENTALS:

NAFED revised down the rates today at the backdrop of just enough carry forward stock available with them. The open market rates for mustard seed [stocked during 2005-06] as declared by NAFED, was quoted at Rs 1750/qttl [Conditional] across the centres, however rate quoted for Jaipur line stood at Rs 1765 per qtl. For Ganganagar the rates were quoted at Rs 1660 per qtl. Offtake of seeds continued, as millers and stockists were reported to have continued building up stocks. Since rates were eased down, spot market sentiments followed and as per traders. The market would probably witness active trading at prevailing prices. The NCDEX January contract closed at 379.6 against previous closing of 381.35 owing to weak spot market sentiments. Weak edible oil sentiments in domestic market well supported the downtrend.

### PRICE DRIVERS:

1. Sole availability of mustard seeds with NAFED.
2. NAFED selling seeds at Rs 1750 to Rs 1765 per qtl.
3. Weak demand for rapeseed meal in overseas market.
4. Stockpiling continued at traders end.

### WEATHER

Mainly dry weather is likely to prevail over mustard growing region except for fog conditions likely within day or two. Restating that fog is detrimental for seed setting in mustard crop at flowering stage.

### TECHNICALS

Dark candlestick indicates bearishness. Stochastic is scaling upwards. MACD is hovering in negative territory. The prices closed near 9-day EMA. Both Volume and open interest declined.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	368	372	379.60	383	386

### TRADE RECOMMENDATION:

Buy NCDEX January contract above 377, T1-381 and stop loss below 374.

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

Markets	27.12.06	26.12.06	Change	Arrivals (Bags)
Jaipur (C)	1955-1960	1965-1970	-10	12,000 to 15,000 -Rajasthan.
Alwar(C)	1880-1890	1900-1910	-20	800-900
Delhi(C)	2000-2020	2000-2020	0	200-300
Agra(C)/Katchi Ghani	2025/4750	2030/4900	-5	-
Sri Ganganagar (NC)	1685-1710	1770-1775	-65	200-250
Kota (NC)	-	1725-1740		-

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

## SPOT MARKET

Rates for groundnut seeds declined marginally today due to weak to normal demand from millers and stockists. Arrivals were reported to be in the tune of 60,000 to 75,000 bags per day. Rates for seeds were reported to be around Rs 410 to 415 per 20 Kg. Prices for groundnut oil scaled up by Rs 10 over previous days price and touched a figure of Rs 550 per 10 Kg amidst weak veg oil in domestic market. The demand for meal is likely to catch up pace by end of this year.

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