

## OILSEED DAILY

December 27, 2006

### SOYBEAN

#### FUNDAMENTALS:

Routine trading was slightly offset at Indore spot market due to workers strike. However, trading was reported to have resumed later. Constant pace for arrivals across spot markets, weak demand for soymeal at ports coupled with firm demand for soy oil in domestic market were few of the factors that decided today's spot market sentiments. Plants continued to build up their reserves to suffice for seasonal demand of edible oil. The NCDEX January contract closed at 1401.2 against previous closing price of 1397.30. Buyers dominated trading and drove the prices up owing to firm sentiments for veg oil in domestic market. By end of session, sellers pushed back the prices to opening levels and the session low. Slight hike in rates of soy oil and soybean has decreased the crushing margins at processors end and would prevent rates from scaling up.

#### PRICE DRIVERS:

1. Constant pace for arrivals across spot markets.
2. Weak to normal demand for soymeal at domestic front.
3. Stockpiling continued at millers end.
4. Seasonal demand for soy oil in domestic market.
5. Decrease in crushing margins at processor end.

#### WEATHER:

Weather is reported to be clear over MP, while rains reported over few regions of Maharashtra within 24 hrs.

#### TECHNICALS

Gravestone Doji formation indicates certain level of indecisiveness. Stochastic is surging up and has entered the overbought region. MACD is scaling up towards positive territory. The prices closed above 9-day & 18-day EMA. Volume increased & open interest declined.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	1368	1375	1401.20	1404	1410

#### TRADE RECOMMENDATION: (Intraday)

Sell NCDEX January contract below 1398, T1-1391, T2-1380 and stop loss above 1400.

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

Centers	Market	26.12.06	23.12.06	Change	Arrivals (Bags)
Indore	Plant	1410-1420	1380-1400	+20	80,000 TO 85,000 in MP.
Indore	Mandi	1345-1360	1320-1360	0	
Maharashtra	Plant	1430-1440	1400-1420	+20	60,000 to 65,000 bags
Maharashtra	Mandi	1380-1390	1330-1370	+20	
Kota	Plant	1405-1420	1370-1390	+30	25,000 to 30,000 Rajasthan.
Kota	Mandi	1350-1370	1330-1335	+35	

## MUSTARD

### FUNDAMENTALS:

The open market rates for mustard seed [stocked during 2005-06] as declared by NAFED, was quoted at Rs 1775/qrtl [Conditional] across the centres, however a nominal hike of Rs 10 per qtl was observed at Ganganagar [Non-Conditional]. The rates quoted were Rs 30/qrtl higher than one quoted earlier. Crushing units and private companies continued offtake of seeds amidst improved rates for edible oil in domestic market. However market observers opine that overall demand was weak due to spiraling open market prices. The NCDEX January contract closed at 381.2 against previous closing of 382.8 amidst lesser buying support at this price levels. However, winter demand for mustard oil would prevent any abrupt fall in rates.

### PRICE DRIVERS:

1. Sole availability of mustard seeds with NAFED.
2. NAFED selling seeds at Rs 1775 per qtl.
3. Weak demand for rapeseed meal in overseas market.
4. Stockpiling continued at traders end.

### WEATHER

Isolated rain thunderstorms likely over Haryana, Punjab and western UP and western India except Rajasthan.

### TECHNICALS

Dark candlestick indicates bearishness. Stochastic is scaling upwards. MACD is hovering in negative territory. The prices closed between 9-day and 18-day EMA. Volume increased and open interest declined marginally.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	370	374	381.20	389	394

### TRADE RECOMMENDATION:

**Buy** NCDEX January contract above 380, T1-386 and stop loss below 371.

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

Markets	26.12.06	23.12.06	Change	Arrivals (Bags)
Jaipur (C)	1965-1970	1910-1915	+55	12,000 to 15,000 -Rajasthan.
Alwar(C)	1900-1910	1840-1850	+60	500-600
Delhi(C)	2000-2020	1960	+60	200-300
Agra(C)/Katchi Ghani	2030/4900	2000/4700	+30	-
Sri Ganganagar (NC)	1770-1775	1700-1725	+50	200-300
Kota (NC)	1725-1740	1700-1720	+20	400-500

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET

Rates for groundnut oil and seeds improved today due to good demand from dairy farms and animal feed industry. Firm demand for veg oil gave additional support to spot market moves. Arrivals were reported to be in the tune of 65,000 to 80,000 bags per day. Rates for seeds were reported to be around Rs 415 to 425 per 20 Kg. Prices for groundnut oil scaled up by Rs 10 over previous days price and touched a figure of Rs 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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