

OILSEED DAILY

December 29, 2006

SOYBEAN

FUNDAMENTALS:

Good arrivals of beans in MP and Maharashtra, firm demand for beans from solvent extraction units, weak soy oil at spot markets, steady rates for soymeal at ports amidst attractive open market prices offered for beans kept the rates largely range bound and sentiments steady. As per market observers, persistent winter demand for soy oil and soymeal is preventing stockpiling in bulk at millers end. The NCDEX January contract closed at 1405 against previous closing price of 1391.25. Buying support from traders amidst weak soymeal and soybean futures prevented the market to trade on higher side. However good seasonal demand for soy oil would prevent any abrupt fall in prevailing prices trend.

PRICE DRIVERS:

1. Increase in arrivals at MP & Maharashtra.
2. Steady soymeal rates at ports.
3. Solvent extraction units purchasing beans in bulk.
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

Unfilled candlesticks indicate bullishness. Stochastic has surged up and is on verge of making a bearish cross over. MACD is scaling up towards positive territory. The prices closed above 9-day & 18-day EMA indicating gain in positive momentum. Volume increased & open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	1392	1396	1404.90	1420	1426

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX January contract above 1406, T1-1415 and stop loss below 1400.

SPOT MARKET PRICES [Not Reported -NR]

Centers	Market	28.12.06	27.12.06	Change	Arrivals (Bags)
Indore	Plant	1400-1415	1410-1425	-10	90,000 to 1,00,000 in MP.
Indore	Mandi	1350-1375	1340-1375	0	
Maharashtra	Plant	1395-1410	1400-1420	-10	45,000 to 60,000 bags
Maharashtra	Mandi	1350-1360	1330-1370	-10	
Kota	Plant	1390-1410	1400-1410	0	12,000 to 15,000 Rajasthan.
Kota	Mandi	1330-1350	1335-1360	-10	

MUSTARD

FUNDAMENTALS:

Stockists and resellers were reported to have sold off seeds to millers and traders in consensus with open market price trend. NAFED didn't revise the rates today and kept it similar to one quoted yesterday. The open market rates for mustard seed [stocked during 2005-06] remained at Rs 1750/qttl to Rs 1765/qttl. As per market observers, millers/crushing units are aggressively buying seeds well in advance at the backdrop of dwindling carry forward seed stock with NAFED. The quantity of seeds available as on date with NAFED is slated to be comfortably over and above the quantity, it would retain as carry forward for the next year thus leaving room for selling the remaining seeds before next crop is harvested. The NCDEX January contract closed at 380.60 against previous closing of 379.60 owing to good buying support from traders at prevailing market prices.

PRICE DRIVERS:

1. Sole availability of mustard seeds with NAFED.
2. NAFED selling seeds at Rs 1750 to Rs 1765 per qtl.
3. Stockpiling continued at traders end.
4. NAFED didn't revised the rates today.

WEATHER

Dry weather reported over mustard growing regions.

TECHNICALS

Unfilled candlesticks indicate bullishness. Stochastic is directing up and has become stationary at this level. MACD has become steady 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	371	375	380.60	386	390

TRADE RECOMMENDATION:

Buy NCDEX January contract above 380, T1-384 and stop loss below 378.

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

Markets	28.12.06	27.12.06	Change	Arrivals (Bags)
Jaipur (C)	1925-1930	1955-1960	-30	12,000 to 15,000 -Rajasthan.
Alwar(C)	1860-1870	1880-1890	-20	600-800
Delhi(C)	1980-1990	2000-2020	-30	800-1000
Agra(C)/Katchi Ghani	2000/4750	2025/4750	-25	-
Sri Ganganagar (NC)	1670-1680	1685-1710	-30	200-250
Kota (NC)		-		-

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Rates for groundnut oil scaled up marginally amidst normal offtake of seeds. 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 418 per 20 Kg. Prices for groundnut oil was quoted at Rs 550 to 553 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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