

## OILSEED DAILY

### SOYBEAN

25<sup>th</sup> January 2006

#### SPOT MARKETS:

Soybeans arrivals increased significantly in Indore as the stockists offloaded their stocks. With reduction of duty on imported veg-oil is on the cards, stockists seemed under pressure to offload their stocks ahead of govt. action. Arrivals stood steady in Maharashtra and Rajasthan market and it is reported at 70,000 and 20,000 respectively. The prices are likely to see further hammering in the coming session as the Government has reduced duty on CPO to 60% from earlier 70% levels. Reduced duty would result in cheaper imports and thus domestic oil prices are likely to see some softness. The seed prices might also follow the cue.

#### FUTURES MARKET: -

The NCDEX February contract opened firm at Rs 1434.85/qrt against yesterday closing at Rs 1430.95/qrt and traded upwards and tested a high of Rs. 1435/qrt. However, selling pressure at higher level pushed the futures to trade downwards and settled at Rs. 1424.90/qrt, Rs. -6.42 down to the previous closing level. Soybeans February contract moved in the range Rs.1435 -1411/qrt.

#### PRICE DRIVERS:

1. Declined overall beans arrivals
2. Improved crushing to meet upcoming meal demand
3. Mixed soy oil prices in physical market
4. Farmers had hefty stocks

#### WEATHER:

#### TECHNICALS: -

Soybean charts are showing weakness in the market. The prices closed below 9-days EMA, which indicate short-term bearishness. MACD is running downward in positive zone, which hints for decrease in bullish momentum. Stochastics however are negative in neutral region. The prices might hover on the bearish side.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - Feb	1400	1413	1424.9	1444	1452

#### TRADE RECOMMENDATION: (Intraday)

Sell NCDEX Soybean Feb contract below 1429 with target of 1415 and then 1410. Put SL at 1439.

#### SPOT MARKET PRICES: -

Centers	Market	24.01.07	23.01.07	Change	Arrivals (Bags)
Indore	Plant	1425-1440	1425-1440	0	70,000 M.P.
Indore	Mandi	1370-1410	1370-1390	0	
Maharashtra	Plant	1470-1475	1460-1470	+10	75,000
Maharashtra	Mandi	1400-1420	1420-1440	-20	
Kota	Plant	1410-1420	1390-1410	+20	20,000 Rajasthan
Kota	Mandi	1360-1380	1325-1360	+35	

## MUSTARD

### SPOT MARKETS:

Mustard prices remain steady to weak in the most of the major trading centers, as NAFED revised down the mustard seed prices further. NAFED has revised down the mustard seed rates by Rs. 5 per qtl in most of the centers; however, some centers saw a reduction of Rs. 10 too. As per trade sources millers have piled up sufficient stocks keeping in mind the forth-coming harvest season.

### FUTURES MARKET: -

The NCDEX February contract opened weak at Rs 372/20Kg against yesterday closing of Rs 373/20Kg and traded downwards thereafter on increased selling pressure and tested a low of Rs. 366.35/20 Kg and settled at Rs. 368.20/20Kg, Rs. -5.15 down to the previous closing level. February contract moved in the range of Rs. 372-366.35/20Kg.

### PRICE DRIVERS:

1. Arrivals of mustard seeds increased
2. NAFED revised mustard seeds rates
3. Bullish impact in other vegetable oils

### WEATHER:

Mainly dry weather over western India. A fresh western disturbance is affects the northwest India in approaching days.

### TECHNICALS

Mustard slipped sharply today extending the current weak trend. The prices closed below 9-days and 18-days EMA, which suggests downtrend is intact. MACD has made bearish crossover in negative region. Stochastics are also negative in neutral region. The prices are mostly likely to remain on the softer side.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - Feb	361	363	368.3	372	375

### TRADE RECOMMENDATION:

Sell NCDEX Mustard Feb contract below 370 with target of 365.  
Put SL at 373

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

Markets	24.01.07	23.01.07	Change	Arrivals (Bags)
Jaipur (C)	1840-1835	1840-1845	0	12,000
Alwar(C)	1770	1750-1760	-50	300
Delhi(C)	1910-1915	1910	0	500-600
Agra(C)/Katchi Ghani	1925	1900	+25	4500
Sri Ganganagar (NC)	1620-1625	1635-1640	-15	200
Kota (NC)	NA	1660-1670	-	NA

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET: -

Groundnut seeds prices remained in range of yesterday prices but arrivals declined sharply had underlying bullish impact. Crushing remained steady supported the range bound prices. Arrivals remained in range of 25,000 to 30,000 bags against yesterday's 35,000-40,000 bags. Seeds rates varied from Rs 419 to 449/20Kg (bag) across spot markets in Gujarat. Prices for groundnut oil remained steady and were reported in a range of Rs 590-600/10 Kg.

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