

OILSEED DAILY

18th January 2006

SOYBEAN

SPOT MARKETS:

Rates for soybean across spot markets firmed up against good demand from solvent units, following the previous trend. Arrivals remained steady. Solvent units offered good rates for beans amidst seasonal demand for edible oils thus prompting farmers to sell off beans directly to the processing units. Resellers too sold off beans besides procuring the same from farmers at prevailing market prices. However, offtake from millers relatively declined owing to slight decline in parity for meal at their end.

FUTURES MARKET: -

The NCDEX February contract opened at Rs 1445.0/mtl against yesterday closing at Rs 1443.65/mtl. Steady soymeal and soy oil sentiments amidst good offtake by solvent units prevented abrupt fall. The contract closed at Rs 1450/mtl, Rs 6.35 higher over the previous closing level.

PRICE DRIVERS:

1. Farmers finding prices lucrative
2. Good demand for beans from solvent units.
3. Government retained previous base prices of imported oil
4. Weak to steady sentiments for soy oil and soymeal in domestic market.

WEATHER:

Weather is reported to be clear to facilitate arrivals.

TECHNICALS: -

Soybean is showing indecision at higher levels; however, four consecutive close is a positive sign. The EMA pattern, momentum studies and oscillators are all in favour of bulls. MACD has entered in positive zone, which is a bullish sign. The prices are likely to witness some corrections in near term at this level.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - Feb	1421	1428	1450	1446	1452

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX Soybean for February delivery above 1432 with target towards 1442. Put SL at 1428.

SPOT MARKET PRICES: -

Centers	Market	17.01.07	16.01.07	Change	Arrivals (Bags)
Indore	Plant	1425-1445	1420-1450	-5	80,000-90,000 M.P.
Indore	Mandi	1350-1390	1350-1380	+10	
Maharashtra	Plant	1460-1465	1400-1425	+40	65,000-75,000 Maharashtra
Maharashtra	Mandi	1410-1440	1350-1380	+60	
Kota	Plant	1420-1435	1380-1390	+45	20,000-22,000 Rajasthan
Kota	Mandi	1350-1380	1340-1350	+30	

MUSTARD

SPOT MARKETS:

NAFED has revised down the rates for mustard seeds uniformly across spot markets by Rs 5 per qtl. The revised rates for mustard seeds sold off by NAFED in Kota stood at Rs 1695 per qtl, whereas rates in Jaipur stood at Rs 1740 per qtl [For seeds stock during 2005-06]. Arrivals were reported steady at previous levels with nominal change. Resellers quoted lower rates as traders showed little buying interest at previous price levels amidst approaching harvesting time for Rabi mustard crops [Torla] in few mustard growing regions. Good demand for mustard oil in domestic market is likely to support demand and offtake of mustard seeds by millers across state of Rajasthan.

FUTURES MARKET: -

The NCDEX February contract opened at Rs 376.95 per 20 Kg against previous closing of Rs 377.3/20Kg. Weak domestic edible oil sentiments prevented contract from trading firm. The contract closed at Rs 375.40/20 Kg, Rs 1.90 lower than previous days closing price levels.

PRICE DRIVERS:

1. Steady supply pressure.
2. NAFED revised down mustard seeds rates.
3. Reports of Torla harvests
4. Winter demand for mustard oils

WEATHER:

With the eastwards movement of western disturbance, night temperature are likely to fall over plains of northwest India and fog conditions are also likely over some places.

TECHNICALS

Small dark candlestick shows bearishness. The prices closed near 9-days EMA, which shows steadiness at ruling prices. MACD is heading upwards in negative zone, which suggests bearish momentum is decreasing. Further, stochastic too is scaling up, indicating possibility of gaining positive momentum. The prices are likely to remain on the firmer side.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - Feb	365	368	375.40	378	381

TRADE RECOMMENDATION:

Risk lovers can **Buy** NCDEX Mustard for February delivery above 373 with target towards 376. Put SL at 371.

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

Markets	17.01.07	16.01.07	Change	Arrivals (Bags)
Jaipur (C)	1850-1865	1875	-10	12,000-15,000
Alwar(C)	1790	1790-1800	-10	400-500
Delhi(C)	1940	1940-1950	-10	200-300
Agra(C)/Katchi Ghani	2000	1925/4625	+75	-
Sri Ganganagar (NC)	1650	1625-1630	+20	150-200
Kota (NC)	1660	1660-1670	-10	300-400

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Successive decline in arrivals of groundnuts, steady to firm sentiments for edible oil amidst normal demand from millers helped in deciding the market moves. Groundnut arrivals decline by 10,000 bags as compared to previous arrivals of 50,000 bags. Seeds rates varied from Rs 424 to 448/20Kg (bag) for across spot markets in Gujarat. Prices for groundnut oil was quoted at Rs 575-595/10 Kg, a slight hike in upper limit by Rs 3 per 10 Kg.

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