

OILSEED DAILY

SOYBEAN

9th January 2006

SPOT MARKETS:

Rates for beans firmed up in Maharashtra, remained range bound in MP and declined slightly in Rajasthan. Arrivals of beans across spot markets improved by 10% over daily average arrivals recorded for the three major spot markets. Steady soymeal sentiments, normal to good offtake of beans by solvent units, weak demand for edible oils and upcoming festive demand kept the overall sentiments mixed.

FUTURES MARKET: -

The NCDEX February contract opened at 1398 against the previous closing levels of 1400.5. Initial firmness in palm oil futures couldn't sustain long and domestic soy futures too followed the trend. The contract closed at 1396.25 Rs 4.25 per qtl less than previous closing level.

PRICE DRIVERS:

1. Slightly improved arrivals across spot markets.
2. Good to weak demand for soy oil in domestic market.
3. Weak palm oil futures.
4. Improved soymeal sentiments at ports.
5. Limited to good offtake by solvent units amidst slight improvement in crushing margins.

WEATHER:

Weather is reported to be clear to facilitate arrivals.

TECHNICALS

Dark candlestick indicates bearishness amidst slight indecisiveness. Stochastic is scaling down towards oversold region. MACD has become flat in neutral territory. The prices closed below 9 day EMA and 18-day EMA indicating slight decline in positive momentum. Both Volume and Open Interest declined considerably.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX - Feb	1388	1394	1396.25	1416	1420

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX January contract above 1402, T1-1406, T2-1410 and stop loss below 1400.

SPOT MARKET PRICES: -

Centers	Market	08.01.07	06.01.07	Change	Arrivals (Bags)
Indore	Plant	1360-1380	1375-1380	0	80,000 - 85,000 bags MP
Indore	Mandi	1320-1340	1315-1340	0	
Maharashtra	Plant	1420-1425	1380-1420	+5	55,000 to 60,000
Maharashtra	Mandi	1370-1380	1330-1360	+20	
Kota	Plant	1360-1380	1380-1390	-10	20,000 Rajasthan
Kota	Mandi	1320-1335	1330-1350	-15	

MUSTARD

SPOT MARKETS:

NAFED revised up the prices uniformly across the spot markets. The new rates quoted by NAFED stood at Rs 1740 per quintal for Jaipur region and for rest of the centres it stood at Rs 1705 per qtl. [For seeds stocked during 2005-06 season]. Resellers quoted the prices slightly above previous weeks prices. Offtake of seeds by millers was reported normal amidst steady arrivals. Elsewhere rates remained range bound due to lack of fresh fundamentals.

FUTURES MARKET: -

The NCDEX February contract opened at 375.05, slightly below, previous closing of 376.1. However, it traded firm amidst upward price revision done by NAFED. The contract closed at 377, marginally above previous closing levels.

PRICE DRIVERS:

1. Just enough seed stocks with NAFED.
2. NAFED revised prices by Rs 5 per qtl.
3. Resellers quoted seed rates as per prevailing trend
4. Steady arrivals at spot markets.

WEATHER

Ground frost is likely over some parts of Punjab, northwest Rajasthan and north Haryana. The condition may hamper seed setting if fog persists long. Fog followed by cold waves can be detrimental.

TECHNICALS

Small-unfilled candlestick indicates bullishness. Stochastic is scaling up steadily. MACD has become steady in negative territory. The prices closed below 9 day EMA and 18-day EMA indicating gradual decline in positive momentum. Volume declined considerably in comparison to open interest.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX - Feb	367	370	377	380	384

TRADE RECOMMENDATION:

Buy NCDEX January contract above 374, T1-377 and stop loss below 372.

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

Markets	08.01.07	06.01.07	Change	Arrivals (Bags)
Jaipur (C)	1855-1865	1855-1860	+5	10,000 - 12,000 -Rajasthan.
Alwar(C)	1785-1810	1800	+10	700-800
Delhi(C)	1940	1940-1950	-10	500-600
Agra(C)/Katchi Ghani	1950/4600	2000/4650	-50	-
Sri Ganganagar (NC)	1625-1635	1630-1635	0	150-200
Kota (NC)		1660		-

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Spot market sentiments firmed up amidst improved rates for groundnuts and groundnut oil across spot markets. Limited availability of nuts, steady arrivals, temporary weakness in other oilseeds, weak oilmeal and edible oil sentiments kept the prices low today also. Arrivals were reported to have declined and stood in a range of 40,000 to 50,000 bags. Rates for seeds were reported to be around Rs 410 to 435 per 20 Kg for across spot markets in Gujarat. Prices for groundnut oil was quoted at Rs 565 to 573 per 10 Kg

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