

OILSEED DAILY

SOYBEAN

20th January 2006

SPOT MARKETS:

Weak soy complex in overseas and in domestic market made its affect felt on routine trading. Port delivery rates for soymeal dropped down considerably thus preventing solvent units to dispose off meal in bulk. Regular offtake of beans declined relatively amidst reduced arrivals. Farmers were reluctant to sell off beans as rates as they didn't find the prevailing prices lucrative to sell off beans. Daily average arrivals [1.8 to 2 lakh bags] dropped down by around 33%, however arrivals in Rajasthan remained steady.

FUTURES MARKET: -

The NCDEX February contract opened at Rs 1432.50/qrtl against yesterday closing at Rs 1440.85/qrtl. Weak soy complex in overseas and domestic market amidst higher selling interest led contract trade on weaker side. The contract closed at Rs 1429/qrtl, Rs 11.85 lower than the previous closing level.

PRICE DRIVERS:

1. Sudden decline in daily arrivals.
2. Normal to weak demand for beans from solvent units.
3. Government retained previous base prices of imported oil
4. Weak soy oil and soymeal sentiments.

WEATHER:

Weather is reported to be clear to facilitate arrivals.

TECHNICALS: -

A dark candlestick indicates bearishness. MACD has become steady in positive territory. Stochastic has made a bearish crossover in overbought region indicating reversal of trade sentiments. The prices closed just above 9 day and 18 day EMA.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - Feb	1415	1420	1429	1440	1446

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX Soybean for February delivery below 1434 with target towards 1429 and put second target at 1424. Put SL at 1436.

SPOT MARKET PRICES: -

Centers	Market	19.01.07	18.01.07	Change	Arrivals (Bags)
Indore	Plant	1430-1450	1450-1470	-20	40,000 M.P.
Indore	Mandi	1350-1385	1365-1385	0	
Maharashtra	Plant	1400-1430	1470-1490	-60	35,000-40,000 Maharashtra
Maharashtra	Mandi	1330-1370	1380-1430	-60	
Kota	Plant	1360-1390	1420-1430	-40	35,000-40,000 Rajasthan
Kota	Mandi	1320-1360	1365-1385	-25	

MUSTARD

SPOT MARKETS:

Today, NAFED has revised down the rates for mustard seeds uniformly across spot markets by Rs 10 per qtl. The revised rates for mustard seeds sold off by NAFED in Kota stood at Rs 1690 per qtl, whereas rates in Jaipur stood at Rs 1735 per qtl [For seeds stock during 2005-06]. Arrivals were reported steady. Offtake of seeds from millers, stockists and local processors continued at prevailing rates as resellers sold off seeds at relatively lower rates. NAFED would further discharge around 3 lakh tonnes of mustard seeds from its present stock [11 lakh tonnes] till end of this month, thereby reassuring seed supply in near term.

FUTURES MARKET: -

The NCDEX February contract opened at Rs 373 per 20 Kg against previous closing of Rs 373.70/20Kg. Selling interest dominated the trade amidst steady decline in open market prices for mustard seeds across spot markets. The contract closed at Rs 371.90/20 Kg, Rs 1.80 lower than previous days closing price levels.

PRICE DRIVERS:

1. Steady supply pressure.
2. NAFED revised down mustard seeds rates.
3. Reports of Toria harvests
4. Steady to weak demand for edible oil in general.

WEATHER:

Mainly dry weather over western India. A fresh western disturbance is likely to affect northwest India from 24th onwards.

TECHNICALS

Small dark candlestick shows bearishness. The prices closed below 9-day & 18 day EMA. MACD is steady in negative zone, which suggests bearish momentum likely to sustain. Stochastic too has become steady at current level. The prices are likely to remain range bound and sentiments steady at prevailing levels.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - Feb	363	367	371.90	377	381

TRADE RECOMMENDATION:

Risk lovers can **Buy** NCDEX Mustard for February delivery above 371 with target towards 374. Put SL at 369.

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

Markets	19.01.07	18.01.07	Change	Arrivals (Bags)
Jaipur (C)	1855	1860-1870	-15	10,000-12,000
Alwar(C)	1750-1760	1775-1780	-20	400-500
Delhi(C)	1920	1930	-10	-
Agra(C)/Katchi Ghani	1950/4600	2000/4625	-50	-
Sri Ganganagar (NC)	1625-1630	1630	0	150-200
Kota (NC)	1630-1640	1640	0	300-400

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Demand for groundnut oil was subdued due to general weakness in edible oil sentiments. No significant change was observed for groundnut except for one cited above. Arrivals remained steady at previous levels [40,000 to 50,000 bags]. Seeds rates varied from Rs 410 to 446/20Kg (bag) across spot markets in Gujarat. Prices for groundnut oil became eased down and were reported in a range of Rs 585-590/10 Kg.

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