

OILSEED DAILY

5th January 2006

SOYBEAN

FUNDAMENTALS:

Softened prices for beans in Maharashtra and MP aided good offtake of beans from solvent extraction units amidst slight decline in arrivals. Rates for beans firmed up in Rajasthan owing to demand from local processors at the backdrop of good supply of beans from stockists. As per market observers, softening in prices of beans would certainly bring in good crushing margins at processors end thereby adding to improvement in soymeal sentiments. The NCDEX January contract closed at 1360.80 against the previous closing levels of 1372.80. Weak palm oil and weak overseas soy futures kept trading sentiments at low pitch, however winter demand for edible oil is likely to prevent any abrupt fall in prices.

PRICE DRIVERS:

1. Steady arrivals across spot markets.
2. Temporary weakness in soy oil sentiments in domestic markets.
3. Weak palm oil futures and soy futures at CBOT.
4. Steady soymeal rates 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 candlesticks with prominent lower shadow indicate bearishness. Stochastic is declining steadily. MACD has become flat in neutral territory. The prices closed below 9 day EMA and 18-day EMA indicating steep decline in positive momentum. Volume decreased & open interest increased.



SUPPORT / RESISTANCES:

| Contract | S2 | S1 | PCP | R1 | R2 |
|-----------|------|------|---------|------|------|
| NCDEX Jan | 1342 | 1346 | 1360.80 | 1369 | 1376 |

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX January contract above 1354, T1-1358. T2-1364 and stop loss below 1349.

SPOT MARKET PRICES [Not Reported -NR]

| Centers | Market | 04.01.07 | 03.01.07 | Change | Arrivals (Bags) |
|-------------|--------|-----------|-----------|--------|---------------------------|
| Indore | Plant | 1360-1380 | 1370-1390 | -10 | 80,000 bags MP |
| Indore | Mandi | 1320-1340 | 1315-1340 | 0 | |
| Maharashtra | Plant | 1375-1395 | 1425-1430 | -35 | 25,000 to 30,000 |
| Maharashtra | Mandi | 1315-1330 | 1370-1380 | -50 | |
| Kota | Plant | 1410-1415 | 1380-1390 | +25 | 35,000 - 40,000 Rajasthan |
| Kota | Mandi | 1350-1360 | 1325-1330 | +30 | |

MUSTARD

FUNDAMENTALS:

NAFED didn't revise the prices today and kept it intact at previous price levels. Seasonal and festive demand maintained the offtake of seeds. Millers were reported to have availed offtake even at higher prices at few places under presumption that prevailing rates can firm up in days to come amidst dwindling seed stock with NAFED. Conditional seeds do attract fair prices in open market owing to good oil content in the seeds and this was well visible over Delhi and Jaipur regions where demand was reported firm. NCDEX January contract closed at 365 against previous closing of 366.20. Mustard futures traded sideways amidst indecisiveness over price direction [Under NAFED's discretion] for the next trading session.

PRICE DRIVERS:

1. Dwindling seed stocks with NAFED.
2. NAFED didn't revised the prices today.
3. Resellers sold off seeds as per market trend.
4. Steady arrivals at spot markets.
5. Weak demand for edible oil in domestic market.

WEATHER

Scattered rains expected after 5th over Rajasthan. Ground frost conditions are likely at some places over Punjab, Haryana and north Rajasthan during next 24 hours.

TECHNICALS

Dark candlesticks indicate bearishness. MACD has declined into negative territory. Stochastic too is scaling down into oversold region and become steady, indicating weak sentiments ahead. The prices closed well below 9-day and 18 day EMA. Both Volume and open interest declined.



SUPPORT / RESISTANCES:

| Contract | S2 | S1 | PCP | R1 | R2 |
|-----------|-----|-----|-----|-----|-----|
| NCDEX Jan | 352 | 358 | 365 | 370 | 376 |

TRADE RECOMMENDATION:

Sell NCDEX January contract below 367, T1-361 and stop loss above 369.

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

| Markets | 04.01.07 | 03.01.07 | Change | Arrivals (Bags) |
|----------------------|-----------|-----------|--------|---------------------------|
| Jaipur (C) | 1845-1850 | 1840-1850 | 0 | 9000 - 10,000 -Rajasthan. |
| Alwar(C) | 1750-1760 | 1775-1780 | -20 | 500-600 |
| Delhi(C) | 1930 | 1920-1925 | +5 | 500-700 |
| Agra(C)/Katchi Ghani | 1975/4600 | 1950/4600 | +25 | - |
| Sri Ganganagar (NC) | 1620-1630 | 1615-1620 | +10 | 150-200 |
| Kota (NC) | - | 1630-1645 | - | - |

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Spot market sentiments seemed to have followed other oilseed sentiments. 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 be steady in a range of 60,000 to 70,000 bags. Rates for seeds were reported to be around Rs 415 to 425 per 20 Kg. Prices for groundnut oil was quoted at Rs 555 to 560 per 10 Kg

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