

OILSEED DAILY

SOYBEAN

4th January 2006

FUNDAMENTALS:

Good arrivals in MP, improved physical demand in Maharashtra, upcoming festive demand [Sankranti], steady soymeal trend and lack of strong fundamentals have had its affect felt on day to day trading across spot markets. Crushing margins for soymeal at processors end have declined marginally due to higher cost of beans. Solvent extraction plants limited their regular offtake of beans for processing and were reported to be concentrating more on refining of crude soy oil to meet festive and winter demand ahead. The NCDEX January contract closed at 1372.8 against the previous closing levels of 1383.00. Weakness in palm oil futures, lack of direction in domestic market led soybean futures trade on weaker side. As per market observers, traders are awaiting for industry data to be released soon by Malaysian palm oil board, so as to decide on market direction ahead and thereby reflected certain level of indecisiveness.

PRICE DRIVERS:

1. Steady arrivals across spot markets.
2. Temporary weakness in soy oil sentiments in domestic markets.
3. Weak palm oil futures.
4. Steady soymeal rates at ports.
5. Limited offtake by solvent units amidst decline 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 near 18-day EMA indicating slight decline in positive momentum. Volume increased & open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	1355	1361	1372.80	1378	1382

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX January contract below 1370, T1-1365 and stop loss above 1374.

SPOT MARKET PRICES [Not Reported -NR]

Centers	Market	03.01.07	02.01.07	Change	Arrivals (Bags)
Indore	Plant	1370-1390	1390-1400	-10	1,10,000 bags MP
Indore	Mandi	1315-1340	1330-1350	-10	
Maharashtra	Plant	1425-1430	1390-1400	+30	50,000 to 55,000
Maharashtra	Mandi	1370-1380	1320-1370	+10	
Kota	Plant	1380-1390	1380-1390	0	25,000 - 30,000 Rajasthan
Kota	Mandi	1325-1330	1330-1340	-10	

MUSTARD

FUNDAMENTALS:

Stockists continued offtake of seeds at prevailing prices to suffice expected increase in demand for edible oil well before 'Sankranti' and start of marriage season. NAFED has revised down the mustard seed rates [stocked during 2005-06] to Rs 1695 per qtl for Rajasthan, however rates quoted for Jaipur Centre stood at Rs 1730 per qtl. As per traders, millers have piled up sufficient stocks, as buffer, to continue crushing for a month or more. Open market prices declined as per market trend but didn't have had adverse impact much on regular offtake by millers and stockists. NCDEX January contract closed at 366.2 against previous closing of 362.70. Open market rates have eased down considerably to support buying interest from millers and traders alike.

PRICE DRIVERS:

1. Dwindling seed stocks with NAFED.
2. NAFED quoted rates in range of Rs 1695 to 1730 per qtl.
3. Resellers sold off seeds as per market trend.
4. Negligible 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

Unfilled candlesticks indicate bullishness. MACD has declined into negative territory and become steady. Stochastic too is scaling down into oversold region, 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	366.20	373	376

TRADE RECOMMENDATION:

Buy NCDEX January contract above 364, T1-367, T2-370 and stop loss below 362.

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

Markets	03.01.07	02.01.07	Change	Arrivals (Bags)
Jaipur (C)	1840-1850	1870-1875	-25	9000 - 10,000 -Rajasthan.
Alwar(C)	1775-1780	1800-1810	-30	400-500
Delhi(C)	1920-1925	1920-1930	-5	250-300
Agra(C)/Katchi Ghani	1950/4600	1950/4650	0	-
Sri Ganganagar (NC)	1615-1620	1625-1630	-10	150-200
Kota (NC)	1630-1645	1640-1650	-5	-

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Limited availability of nuts, steady arrivals, temporary weakness in other oilseeds, weak oilmeal and edible oil sentiments kept the prices low. Thus rates for groundnut oil also followed the uptrend owing to higher cost of raw materials. 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 amidst firm prices for nuts at spot markets.

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