

OILSEED DAILY

SOYBEAN

2nd January 2006

FUNDAMENTALS:

Most of the mandis were reported to be open, but couldn't witness active trading on account of 'Bakri ID'. Banking institutions remained closed thereby affecting trading sentiments to certain extent. Despite negligible arrivals, offtake by plants continued but remained negligible. However, The NCDEX January contract closed at 1386.2 against the previous closing levels of 1393.45. Weak soy oil, steady soymeal sentiments amidst negligible arrivals of beans at spot markets led domestic soybean futures scaled down considerably amidst certain level of indecisiveness.

PRICE DRIVERS:

1. Negligible arrivals across spot markets.
2. Temporary weakness in soy oil sentiments due to weak palm oil futures at BMD.
3. Slight improvement in soymeal rates at ports.
4. Stockists disposing off beans at prevailing market prices.

WEATHER:

Weather is reported to be clear to facilitate arrivals.

TECHNICALS

Dark candlesticks indicate bearishness. Stochastic is declining steadily. MACD is hovering in neutral territory. The prices closed near 18-day EMA indicating slight decline in positive momentum. Both Volume & open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	1366	1374	1386.20	1393	1398

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX January contract below 1386, T1-1380 and stop loss above 1390.

SPOT MARKET PRICES [Not Reported -NR]

Centers	Market	01.01.07	30.12.06	Change	Arrivals (Bags)
Indore	Plant	1380-1385	1390-1400	-15	Negligible
Indore	Mandi	1340-1360	1350-1375	-15	
Maharashtra	Plant	1400-1410	1430-1435	-25	Negligible
Maharashtra	Mandi	1360-1380	1380-1400	-20	
Kota	Plant	1370-1375	1390-1400	-25	Not Reported
Kota	Mandi	1330-1350	1330-1360	-10	

MUSTARD

FUNDAMENTALS:

Last Saturday NAFED had revised down the seed rates thereby firming up demand from resellers/stockists. The follow through affect was well visible in today's market sentiments. Some of the stockists were reported to have sold off seeds procured last Saturday, as per market trend, thereby easing down, the rates for mustard seeds. NAFED was closed today on account of Bakri- ID. Routine trading was slightly offset on account of it. Arrivals across spot markets remained negligible. The NCDEX January contract closed at 366.2 against previous closing of 369.5. Amidst lack of fundamental support the mustard futures declined considerably.

PRICE DRIVERS:

1. Dwindling seed stocks with NAFED.
2. NAFED remained closed on account of Bakri -ID.
3. Resellers sold off seeds as per market trend.
4. Negligible arrivals at spot markets.

WEATHER

Rains or thunderstorms expected after 4th of this month over North West India regions. Rains are beneficial at this time to fight cold temperatures.

TECHNICALS

Dark candlesticks indicate bearishness. MACD has moved down into negative territory and Stochastic too is scaling down 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	358	361	366.20	373	377

TRADE RECOMMENDATION:

Sell NCDEX January contract below 368, T1-363 and stop loss above 370.

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

Markets	01.01.07	30.12.06	Change	Arrivals (Bags)
Jaipur (C)	1880-1885	1890-1900	-5	3000 - 4000 -Rajasthan.
Alwar(C)	1850	1850-1860	-10	300-400
Delhi(C)	1910-1920	1960-1970	-50	300-400
Agra(C)/Katchi Ghani	1950/4750	2000/4700	-50	-
Sri Ganganagar (NC)	1640	1660	-20	100-200
Kota (NC)		-	-	-

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Rates for groundnut scaled up owing to good physical demand for nuts. Arrivals were reported to have declined but approx figures were not available. Rates for seeds were reported to be around Rs 415 to 430 per 20 Kg. Prices for groundnut oil was quoted at Rs 560 to 565 per 10 Kg amidst firm prices for nuts at spot markets. The demand for meal is likely to catch up pace by end of this year.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.