

OILSEED DAILY

SOYBEAN

24th January 2006

SPOT MARKETS:

Soybeans arrivals declined domestically with steady physical demand, steady soymeal trend and lack of strong fundamentals have mixed reaction across spot markets. Arrivals sharp declined in the Indore region where it remained at 50,000 bags against yesterday's 90,000-100,000 bags. 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 with normal refining of crude soy oil to meet regular demand.

FUTURES MARKET: -

The NCDEX February contract opened at Rs 1426/qrtl against yesterday closing at Rs 1424.7/qrtl. Soybeans February contract witnessed speculative buying on emerging soymeal demand in physical market and improved soy oil futures during most of trade-session. The contract closed at Rs 1431.5/qrtl, Rs 6.8 up to the previous closing level.

PRICE DRIVERS:

1. Declined overall beans arrivals
2. Improved crushing to meet upcoming meal demand
3. Mixed soy oil prices in physical market
4. Farmers had hefty stocks

WEATHER:

Weather is reported to be clear to facilitate arrivals.

TECHNICALS: -

Soybean charts are giving mixed signals. The prices closed above 9-days and 18-days EMA, which indicate firmness is intact. MACD is running downward in positive zone, which hints for decrease in bullish momentum. Stochastics however are negative in neutral region. The prices may remain on the positive side.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - Feb	1405	1416	1431.5	1445	1452

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX Soybean Feb contract below 1435 with target of 1420 and then 1412 Put SL at 1445.

SPOT MARKET PRICES: -

Centers	Market	23.01.07	22.01.07	Change	Arrivals (Bags)
Indore	Plant	1425-1440	1420-1440	+5	45,000-50,000 M.P.
Indore	Mandi	1370-1390	1350-1400	+20	
Maharashtra	Plant	1460-1470	1470-1475	-10	60,000-70,000
Maharashtra	Mandi	1420-1440	1430-1450	-10	
Kota	Plant	1390-1410	1380-1400	+10	23000-25,000 Rajasthan
Kota	Mandi	1325-1360	1325-1345	0	

MUSTARD

SPOT MARKETS:

Stockists continued offtake of seeds at prevailing prices for bullish anticipation of further increase in demand for edible oil to meet marriage season and winter season. NAFED has revised down the mustard seed rates [stocked during 2005-06] to Rs 1700 per qtl last 1690/qtl for Kota against yesterday 1690 per qtl, however rates quoted for Jaipur Centre stood at Rs 1745 per qtl against previous 1735 per qtl. As per trade sources millers have piled up sufficient stocks, (as buffer) o continue crushing for a month or more expecting new crop would be cost high. Market prices declined as per market trend but didn't have had adverse impact much on regular offtake by millers and stockists.

FUTURES MARKET: -

The NCDEX February contract opened at Rs 372/20Kg against yesterday closing of Rs 373/20Kg. On firm support of Government is mulling for revision for import duty for vegetable oil sparked speculative buying at NCDEX mustard seeds February contract. The contract closed unchanged at Rs 373/20 Kg to previous days closing price levels.

PRICE DRIVERS:

1. Arrivals of mustard seeds increased
2. NAFED revised mustard seeds rates
3. Bullish impact in other vegetable oils

WEATHER:

Mainly dry weather over western India. A fresh western disturbance is affects the northwest India in approaching days.

TECHNICALS

Mustard is trading sideways these days. Charts are showing continued weakness in the market. The prices closed below 9-days and 18-days EMA, which suggests downtrend is intact. MACD is rising slowly in negative zone, which indicate continued fall in bearish momentum. Stochastics however are on the verge of giving bullish signal in neutral region. The prices are likely to show volatility with bearish bias.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - Feb	368	370	373	375	377

TRADE RECOMMENDATION:

Sell NCDEX Mustard Feb contract above 374 with target of 371 and then 369. Put SL at 376.

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

Markets	23.01.07	22.01.07	Change	Arrivals (Bags)
Jaipur (C)	1840-1845	1835	+5	14,000-15,000
Alwar(C)	1750-1760	1750-1760	0	400-450
Delhi(C)	1910	1910	0	500
Agra(C)/Katchi Ghani	1900	1920/4500	-20	-
Sri Ganganagar (NC)	1635-1640	1640-1650	-5	500
Kota (NC)	1660-1670	1660-1670	0	300-400

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Groundnut seeds prices remained in range of yesterday prices but arrivals declined sharply had underlying bullish impact. Crushing remained steady supported the range bound prices. Arrivals remained in range of 25,000 to 30,000 bags against yesterday's 35,000-40,000 bags. Seeds rates varied from Rs 419 to 449/20Kg (bag) across spot markets in Gujarat. Prices for groundnut oil remained steady and were reported in a range of Rs 590-600/10 Kg.

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.