

OILSEED DAILY

SOYBEAN

8th January 2006

FUNDAMENTALS:

Despite weekend trading, rates for beans firmed at Maharashtra due limited availability of good quality beans disposed off by producers and stockists alike. Winter and seasonal demand for edible oil has prompted solvent extraction units to continue regular offtake at prevailing market rates to make up for shortfall in available buffer of beans for processing. The NCDEX January contract closed at 1366 against the previous closing levels of 1373.9. Firm palm and soy oil in overseas helped soybean futures open firm but couldn't sustain gain for long due to profit booking and steady soymeal sentiments.

PRICE DRIVERS:

1. Steady arrivals across spot markets.
2. Good demand for soy oil in domestic market.
3. Firm palm oil futures at BMD.
4. Improved soymeal sentiments 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 candlestick indicates bearishness. Stochastic is scaling down towards oversold region. MACD has become flat in neutral territory. The prices closed below 9 day EMA and 18-day EMA indicating slight decline in positive momentum. Volume increased & open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	1352	1360	1366	1395	1400

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX January contract above 1371, T1-1380. T2-1388 and stop loss below 1366.

SPOT MARKET PRICES [Not Reported -NR]

Centers	Market	06.01.07	05.01.07	Change	Arrivals (Bags)
Indore	Plant	1375-1380	1375-1390	-10	80,000 bags MP
Indore	Mandi	1315-1340	1320-1340	0	
Maharashtra	Plant	1380-1420	1370-1385	+35	50,000 to 55,000
Maharashtra	Mandi	1330-1360	1315-1325	+35	
Kota	Plant	1380-1390	1365-1380	+10	22,000 - 25,000 Rajasthan
Kota	Mandi	1330-1350	1310-1350	0	

MUSTARD

FUNDAMENTALS:

NAFED didn't revised the prices across spot markets. Arrivals were steady. Resellers quoted higher prices for seeds in Delhi region amidst good demand from millers & dearth of seed stocks. Elsewhere rates quoted by resellers remained range bound due to lack of fresh fundamentals and weekend trading. The NCDEX January contract closed at 366.05 against previous closing of 369.15. Mustard futures traded sideways amidst lack of market direction. Mustard futures in Delhi and Hapur exchange followed the suit.

PRICE DRIVERS:

1. Just enough 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. Good to weak demand for edible oil in domestic market.

WEATHER

Isolated rains expected over mustard growing regions in next 48 hours. Fog conditions are likely over plains of northwest India from 7th onwards.

TECHNICALS

Dark candlestick indicates bearishness. Stochastic is scaling up steadily. MACD has become flat in negative territory. The prices closed below 9 day EMA and 18-day EMA indicating gradual decline in positive momentum. Both Volume & open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	359	362	366.05	372	376

TRADE RECOMMENDATION:

Sell NCDEX January contract below 367, T1-364 and stop loss above 369.

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

Markets	06.01.07	05.01.07	Change	Arrivals (Bags)
Jaipur (C)	1855-1860	1855-1860	0	10,000 - 12,000 -Rajasthan.
Alwar(C)	1800	1800-1810	-10	700-800
Delhi(C)	1940-1950	1940	+10	500-600
Agra(C)/Katchi Ghani	2000/4650	1950/4600	+50	-
Sri Ganganagar (NC)	1630-1635	1625-1630	+5	150-200
Kota (NC)	1660	1660-1670	-10	-

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Spot market sentiments firmed up amidst improved rates for groundnuts and groundnut oil across spot markets. 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 have declined and stood in a range of 40,000 to 50,000 bags. Rates for seeds were reported to be around Rs 425 to 430 per 20 Kg. Prices for groundnut oil was quoted at Rs 565 to 570 per 10 Kg

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