

OILSEED DAILY

SOYBEAN

19th January 2006

SPOT MARKETS:

Rates offered for soybean across spot markets remained range bound. Amidst higher delivery rates for soymeal at ports and restricted selling from stockists, farmers were reported to have sold off beans to solvent units at slightly higher rates to take advantage of limited supply of good quality beans. Following this, rates firmed up across plants. Arrivals improved considerably in Kota [By 18,000 bags], elsewhere it remained steady at previous levels. Stockists, solvent units continued regular offtake of beans.

FUTURES MARKET: -

The NCDEX February contract opened at Rs 1448.25/qrtl against yesterday closing at Rs 1450.00/qrtl. Firm soymeal sentiments in domestic and overseas helped contract trade firm till mid-session, but couldn't sustain gain for long owing to weak soy oil sentiments. The contract closed at Rs 1439.60/qrtl, Rs 10.40 lower than the previous closing level.

PRICE DRIVERS:

1. Farmers finding prices lucrative
2. Good demand for beans from solvent units.
3. Government retained previous base prices of imported oil
4. Weak soy oil and firm soymeal sentiments.

WEATHER:

Weather is reported to be clear to facilitate arrivals.

TECHNICALS: -

Dark candlesticks with prominent upper shadow indicates bearish ness. The EMA pattern, momentum studies and oscillators are all in favour of bulls. MACD has entered in positive zone, which is a bullish sign. The contract reflected some technical correction at these price levels.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - Feb	1423	1430	1439.60	1452	1460

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX Soybean for February delivery above 1438 with target towards 1444 and put second target at 1448. Put SL at 1434.

SPOT MARKET PRICES: -

Centers	Market	18.01.07	17.01.07	Change	Arrivals (Bags)
Indore	Plant	1450-1470	1425-1445	+25	80,000 M.P.
Indore	Mandi	1365-1385	1350-1390	-5	
Maharashtra	Plant	1470-1490	1460-1465	+25	70,000-75,000 Maharashtra
Maharashtra	Mandi	1380-1430	1410-1440	-10	
Kota	Plant	1420-1430	1420-1435	-5	35,000-40,000 Rajasthan
Kota	Mandi	1365-1385	1350-1380	+5	

MUSTARD

SPOT MARKETS:

Today, NAFED has revised up the rates for mustard seeds uniformly across spot markets by Rs 5 per qtl. The revised rates for mustard seeds sold off by NAFED in Kota stood at Rs 1700 per qtl, whereas rates in Jaipur stood at Rs 1745 per qtl [For seeds stock during 2005-06]. As per traders, State Trading Corporation [STC] has been actively buying seeds from NAFED at prevailing market prices thus adding firmness at few places. Resellers sold mustard seeds at eased down rates in consensus with yesterday's market trend. Arrivals declined steadily. Officials from farmers' cooperative stated to have around 11 lakh tons of mustard seeds left with them and would sell seeds till end of January before reviewing the strategy for next month.

FUTURES MARKET: -

The NCDEX February contract opened at Rs 375.45 per 20 Kg against previous closing of Rs 375.40/20Kg. Selling interest dominated the trade amidst lack of strong fundamentals in spot markets. The contract closed at Rs 373.55/20 Kg, Rs 1.80 lower than previous days closing price levels.

PRICE DRIVERS:

1. Steady supply pressure.
2. NAFED revised up mustard seeds rates.
3. Reports of Toria harvests
4. Steady to weak demand for edible oil in general.

WEATHER:

Isolated rain/thundershowers are likely over Punjab and north Haryana within 48 hrs. Mainly dry weather is likely over the rest region. Fog is also likely at some places in the plains. Mainly dry weather is likely over Rajasthan.

TECHNICALS

Small dark candlestick shows bearishness. The prices closed below 9-days EMA. MACD is steady in negative zone, which suggests bearish momentum likely to sustain. Stochastic is scaling up, indicating recovery of positive momentum in near term. The prices are likely to remain steady at prevailing levels.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - Feb	367	370	373.55	380	384

TRADE RECOMMENDATION:

Risk lovers can **Sell** NCDEX Mustard for February delivery below 375 with target towards 372. Put SL at 377.

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

Markets	18.01.07	17.01.07	Change	Arrivals (Bags)
Jaipur (C)	1860-1870	1850-1865	+5	10,000-12,000
Alwar(C)	1775-1780	1790	-10	200-400
Delhi(C)	1930	1940	-10	200
Agra(C)/Katchi Ghani	2000/4625	2000/4600	0	-
Sri Ganganagar (NC)	1630	1650	-20	150-200
Kota (NC)	1640	1660	-20	300-400

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Rates for groundnut oil hiked marginally owing to upward rally in edible oils at the backdrop of seasonal demand. Successive decline in arrivals of groundnuts, steady to firm sentiments for edible oil amidst normal demand from millers helped in deciding the market moves today also. Arrivals remained steady at previous levels [40,000 to 50,000 bags]. Seeds rates varied from Rs 415 to 448/20Kg (bag) across spot markets in Gujarat. Prices for groundnut oil became firm 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.