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# OILSEED DAILY

12th January 2006

## SOYBEAN

### SPOT MARKETS:
In general, arrivals for beans across spot markets improved over previous levels by around 17%. As stated earlier, daily arrivals of beans in Maharashtra is declining continuously due to limited availability, however, amidst steady demand, prices have firmed up. In Madhya Pradesh [MP], no significant change was observed across spot markets. Farmers were learnt to have sold off beans in bulk on account of good prices offered by plants. Normal to good sentiments for soymeal at ports and in domestic market helped firm up overall demand.

### FUTURES MARKET: -
The NCDEX February contract opened at Rs 1391.10/qtl against previous closing levels of Rs 1382/qtl. Amidst weak soy oil futures at CBOT & firm palm oil futures the contract traded slightly indecisive, however slight firmness in soymeal sentiments across ports prevented any sharp downfall. The contract closed at Rs 1393/qtl, Rs 11 above the previous closing level.

### PRICE DRIVERS:
1. Improved arrivals across Rajasthan and MP.
2. Normal to good demand for soy oil in domestic market.
3. Firm palm oil futures.
4. Good soymeal sentiments across domestic markets.
5. Normal offtake by solvent units.

### WEATHER:
Weather is reported to be clear to facilitate arrivals.

### TECHNICALS: -
Small real body indicates slight firmness. Stochastic has scaled down and hovering in oversold region. MACD has declined into negative territory. The prices closed well below 9 day EMA and 18-day EMA indicating steep decline in positive momentum. Volume increased and Open Interest declined

### SUPPORT / RESISTANCES:

| Contract | S2 | S1 | PCP | R1 | R2 |
|---|---|---|---|---|---|
| NCDEX - Feb | 1376 | 1380 | 1393 | 1395 | 1401 |

### TRADE RECOMMENDATION: (Intraday)
**Buy** NCDEX January contract above 1384, T1-1387, T2-1392 and stop loss below 1382.

### SPOT MARKET PRICES: -

| Centers | Market | 11.01.07 | 10.01.07 | Change | Arrivals (Bags) |
|---|---|---|---|---|---|
| Indore | Plant | 1370-1380 | 1370-1385 | -5 | 1,00,000 to 1,10,000 bags MP |
| Indore | Mandi | 1320-1350 | 1310-1350 | 0 | |
| Maharashtra | Plant | 1410-1415 | 1370-1390 | +25 | 30,000 to 35,000 |
| Maharashtra | Mandi | 1340-1360 | 1320-1350 | +10 | |
| Kota | Plant | 1360-1380 | 1370-1375 | +5 | 20,000 to 22,000 Rajasthan |
| Kota | Mandi | 1310-1335 | 1310-1340 | -5 | |

# MUSTARD

## SPOT MARKETS:

NAFED didn't revised the prices for mustard seeds [For seeds stocked during 2005-06 season]. Resellers quoted lesser prices for seeds procured from NAFED due to steady nature of demand from oil mills and other stockists. Arrivals improved in Alwar, elsewhere it remained at previous levels. Traders are keeping a close watch on prevailing weather conditions and expected output of mustard seeds so as to decide on market trend for the days to come.

## FUTURES MARKET: -

The NCDEX February contract opened at Rs 376.95 per 20 Kg against previous closing of Rs 376.15 per 20 Kg. Contract traded weak owing to higher selling interest amidst slight indecisiveness over tomorrows price trend /direction. The contract closed at Rs 373.55 per 20 Kg, Rs 2.60 below the previous closing levels.

## PRICE DRIVERS:

1. Just enough seed stocks with NAFED.
2. NAFED didn't revised the prices for mustard seeds.
3. Resellers quoted seed rates as per prevailing trend
4. Improved arrivals at few places.

## WEATHER

Dry weather is likely to prevail over mustard growing regions. However, ground frost is likely over some parts of plains of northwest India.

## TECHNICALS

Dark candlestick with prominent lower shadow indicates bearishness. Stochastic is scaling up. MACD is declining steadily into negative territory. The prices closed below 9 day & 18-day EMA indicating decline in positive sentiments. Both Volume declined and open interest increased over previous levels

## SUPPORT / RESISTANCES:

| Contract | S2 | S1 | PCP | R1 | R2 |
|---|---|---|---|---|---|
| NCDEX - Feb | 366 | 369 | 373.55 | 380 | 383 |

## TRADE RECOMMENDATION:

**Sell** NCDEX January contract below 377, T1-373 and stop loss above 379.

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

| Markets | 11.01.07 | 10.01.07 | Change | Arrivals (Bags) |
|---|---|---|---|---|
| Jaipur (C) | 1850-1855 | 1865 | -10 | 12,000 - 15,000 Rajasthan. |
| Alwar(C) | 1770-1790 | 1810 | -20 | 800-1200 |
| Delhi(C) | 1940-1945 | 1950 | -5 | 150-200 |
| Agra(C)/Katchi Ghani | 1950/4600 | 1950/4600 | 0 | - |
| Sri Ganganagar (NC) | 1620 | 1640 | -20 | 150-200 |
| Kota (NC) | 1660 | | - | - |

C: Conditioned NC: Non-Conditioned

# GROUNDNUT

## SPOT MARKET: -

Spot market sentiments remained steady at lower levels amidst weak sentiments for edible oil in domestic market. Weak soy oil futures in overseas prevented rates from firming up today amidst thin supply. Arrivals were reported to be in a range of around 65,000 bags. Rates for seeds were reported to be around Rs 412 to 435 per 20 Kg for across spot markets in Gujarat. Prices for groundnut oil was quoted at Rs 565 to 571 per 10 Kg


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