

OILSEED DAILY

SOYBEAN

27th January 2006

SPOT MARKETS:

Overnight weakness at CBOT had underlying impact on soybeans prices across domestic market despite firm BMD. Reduction in imported oil duty results weak soy oil prices and had same reflected on soybeans and its prices declined marginally. Sluggish beans prices results in reduced sentiments for arrivals due to stockiest hold back their stocks, as prices were not lucrative. Overall arrivals declined by 30-40,000 bags. Solvent extractors reduce their offtake amidst low parity for soy oil.

FUTURES MARKET: -

The NCDEX February contract opened at Rs 1415.5/ctl against yesterday closing at Rs 1423.8/ctl. Profit taking and short covering coupled with firmness at crude palm oil futures at BMD results speculative buying on NCDEX soybeans futures February contract. The contract closed at Rs 1430/ctl, Rs 6.20 up than the previous closing level.

PRICE DRIVERS:

1. Declined beans arrivals
2. Weakness in soy oil
3. Sluggish demand
4. Steady soy meal sentiments domestically
5. Firm crude palm oil futures at BMD

WEATHER:

Weather is reported to be clear to facilitate arrivals.

TECHNICALS: -

Soybean recovered smartly Thursday to close above EMAs, which indicate firmness in the market. Candlesticks have formed a piercing line pattern, which shows the possibility of reversal in the trend. However, stochastic and MACD are still favoring bears. The prices might see some more positive movements.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - Feb	1407	1414	1430	1445	1452

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX Soybean Feb contract above 1425 with target of 1440 and then 1445. Put SL at 1417.

SPOT MARKET PRICES: -

Centers	Market	25.01.07	24.01.07	Change	Arrivals (Bags)
Indore	Plant	1420-1430	1425-1440	-5	50,000-60,000 M.P.
Indore	Mandi	1370-1400	1370-1410	0	
Maharashtra	Plant	1440-1445	1470-1475	-30	50,000-55,000
Maharashtra	Mandi	1400-1430	1400-1420	0	
Kota	Plant	1400-1415	1410-1420	-10	28-30,000 Rajasthan
Kota	Mandi	1320-1350	1360-1380	-40	

MUSTARD

SPOT MARKETS:

Nafed revised mustard seeds prices and new rated for Kota regions were 1670/qttl against previous prices of Rs. 1695/qttl [for seeds stock during 2005-06]. Overall arrivals declined significantly by 1,500-2,000 bags with regular offtake from millers. Mustard oil prices continuous traded on weaker side and today in Kota it experienced bottom prices from the last two months had bearish impact. Crushing stood steady as millers/crushers declined for abrupt change in existing demand conditions. Traders are expecting the rise in temperature is likely to affect the oil quantity of new mustard seeds.

FUTURES MARKET: -

The NCDEX February contract opened at Rs 366.2 /20Kg against previous closing of Rs 367.8/20Kg. Weakness in soy oil and soybeans futures market had spill over effect on mustard seeds. The contract closed at Rs 368/20 Kg, Rs 0.2 high to previous days closing price levels.

PRICE DRIVERS:

1. Decline arrivals of mustard seeds.
2. NAFED revised down mustard seeds rates.
3. Steady crushing with regular offtake from millers/crusher
4. Weakness in other vegetable oils

WEATHER:

Mainly dry weather over western India. A fresh western disturbance is likely to affect northwest India in coming days.

TECHNICALS

Mustard is showing continued downtrend, however the prices saw some tentativeness at lower levels today. The prices closed below 9-days and 18-days EMA, which suggests weakness is intact. MACD is in favor of bears in the negative zone. Stochastics are also negative in neutral region. The prices are mostly likely to ease after some initial firmness.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - Feb	361	363	368	372	375

TRADE RECOMMENDATION:

Sell NCDEX Mustard Feb contract below 370 with target of 366. Put SL at 372

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

Markets	25.01.07	24.01.07	Change	Arrivals (Bags)
Jaipur (C)	1825	1840-1835	-15	10,000-12,000
Alwar(C)	1750	1770	-20	500-700
Delhi(C)	1910-1915	1910-1915	0	300
Agra(C)/Katchi Ghani	1925/4500	1925	0	-
Sri Ganganagar (NC)	1625	1620-1625	+5	450-500
Kota (NC)	1640-1650	NA	-	100-150

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Reports of Rabi groundnut sowing in few places in Andhra Pradesh and Karnataka had good demand for groundnut seeds had bullish impact and sentiments amplified by firmed groundnut oil. Arrivals declined by around 5,000 bags to 25,000 to 30,000 bags]. Seeds rates varied from Rs 420 to 460/20Kg (bag) across spot markets in Gujarat. Prices for groundnut oil became eased down and were reported in a range of Rs 590-610/10 Kg.

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