

OILSEED DAILY

SOYBEAN

30th January 2006

SPOT MARKETS:

Soybeans arrivals declined sharply domestically on low interest of stockists, farmers as current prices are not lucrative. Crushers/solvent extractors reduced their offtake on low parity for soy oil and soymeal supported bearishness. Steady to bearish sentiments for soy oil and soymeal at ports and physical market kept bears up. Reports of third outbreak of bird flu in Japan had underlying bearish impact. Mixed sentiments at BMD reflected similar impact.

FUTURES MARKET: -

The NCDEX Feb contract opened at Rs 1426.55/mtl against yesterday closing at Rs 14274/mtl. Following soy oil with profit taking and short covering resulting speculative selling on February contract of soybeans futures at NCDEX and contract closed at Rs 1415.95/mtl, Rs 11.45 down to previous closing level.

PRICE DRIVERS:

1. Third bird flu outbreak in Japan
2. Poor demand
3. Steady to bearish soymeal sentiments in the domestic market
4. Declined beans arrivals

WEATHER:

Isolated rainfall over southeast Rajasthan, Gujarat and north MP likely to hamper beans arrivals in these regions.

TECHNICALS: -

NCDEX February contract, candlestick chart pattern exhibits bearish sentiment. Technical indicators MACD, RSI and Stochastic favour the bears. Prices closed below the 9 days EMA and the 18 days EMA. Market is expected to trade downward following a steady to weak opening with possibility of slight late upward movement.



SUPPORT / RESISTANCE:

| Contract | S2 | S1 | PCP | R1 | R2 |
|--------------|------|------|---------|------|------|
| NCDEX - Feb. | 1398 | 1404 | 1415.95 | 1435 | 1444 |

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX Feb. contract below 1420 with target towards 1412. Stop loss above 1425. Do not carry-forward the position until the next day.

SPOT MARKET PRICES: -

| Markets | Market | 29.01.07 | 27.01.07 | Change | Arrivals (Bags) |
|-------------|--------|-----------|-----------|--------|----------------------------|
| Indore | Plant | 1425-1430 | 1410-1425 | +15 | 50,000-60,000 M.P. |
| Indore | Mandi | 1370-1400 | 1370-1390 | 0 | |
| Maharashtra | Plant | 1455-1460 | 1455-1460 | 0 | - |
| Maharashtra | Mandi | 1410-1435 | 1415-1440 | -5 | |
| Kota | Plant | 1410-1415 | 1400-1415 | 0 | 18,000-20,000 Rajasthan |
| Kota | Mandi | 1335-1350 | 1340-1355 | -5 | |

MUSTARD

SPOT MARKETS:

Nafed revised down mustard seeds prices and new rate for Kota regions were at Rs. 1675/qttl to last Rs. 1670/qttl and for Jaipur region stood at Rs. 1725/qttl against previous prices of Rs. 1720/qttl [for seeds stock during 2005-06]. Stockists remained active in releasing mustard seeds resulting improved overall arrivals. Isolated rainfall in Kota and other regions in Rajasthan likely to support the delay harvest and arrivals of mustard by a week or more had underlying bullish impact. Traders are expecting mustard seeds rates to improved in coming days on depleting stocks.

FUTURES MARKET: -

The NCDEX February contract opened at Rs 367.75 /20Kg against previous closing of Rs 367.8/20Kg. February contract of mustard seeds witnessed speculative buying on follow-through rallies. The contract closed at Rs 368.2/20 Kg, Rs 0.4 high to previous days closing price levels.

PRICE DRIVERS:

1. Improved arrivals of mustard seeds.
2. NAFED increased mustard seeds rates.
3. Steady demand
4. Isolated rainfall in Kota and few part of Rajasthan

WEATHER:

The continuation of cloudy condition with likely isolated rainfall southwest Rajasthan could be detrimental to mustard crop in pod filling to seed forming stage.

TECHNICALS

NCDEX February contract, candlestick chart pattern exhibits indecisive market. Technical indicators MACD, RSI and Stochastic favour the bulls. Prices closed below the 9 days EMA and the 18 days EMA. Market is expected to trade downward following a steady to weak opening with possibility of slight late upward movement.



SUPPORT / RESISTANCE:

| Contract | S2 | S1 | PCP | R1 | R2 |
|-------------|-----|-----|-------|-----|-----|
| NCDEX - Feb | 360 | 362 | 368.2 | 373 | 375 |

TRADE RECOMMENDATION:

Sell NCDEX Feb. contract below 369 with target towards 365. Stop loss above 372. Do not carry-forward the position until the next day.

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

| Markets | 27.01.07 | 25.01.07 | Change | Arrivals (Bags) |
|----------------------|-----------|-----------|--------|-----------------|
| Jaipur (C) | 1835-1840 | 1825-1830 | +10 | 10,000-12,000 |
| Alwar(C) | 1740-1745 | 1750 | -5 | 500 |
| Delhi(C) | 1880 | 1890 | -10 | 1000 |
| Agra(C)/Katchi Ghani | 1900/4450 | 1925/4500 | -25 | - |
| Sri Ganganagar (NC) | 1630-1650 | 1635-1640 | -5 | 100-150 |
| Kota (NC) | 1640-1650 | - | - | 150-200 |

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Improved demand for groundnut seeds from stockists and good demand of oil had bullish impact in the spot market. Arrivals declined to around 15,000-20,000 bags. Seeds rates varied from Rs 430 to 475/20Kg (bag) across spot markets in Gujarat. Prices for groundnut oil remained steady in a range of Rs 595-615/10 Kg.

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