

OILSEED DAILY

SOYBEAN

6th January 2006

FUNDAMENTALS:

As per market observers, the daily offtake of beans by solvent extraction units is falling short of its regular crushing capacities, despite available buffer stocks with them, thus firming up the demand and rates thereof in MP. However rates for beans softened at Maharashtra due to limited availability of beans for offtake by millers and stockists in the market. Unavailability of good quality of beans in Maharashtra is also said to have eased down the prices considerably. The NCDEX January contract closed at 1375 against the previous closing levels of 1360.80. Firm CPO amidst firmness in domestic soy oil coupled with festive and seasonal demand for edible oil helped soybean futures trade firm. Weak spot market sentiments is likely to limit further gains.

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

Unfilled candlestick indicates bullishness. Stochastic is declining steadily. MACD has become flat in neutral territory. The prices closed below 9 day EMA and 18-day EMA indicating steep decline in positive momentum. Both Volume & open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	1363	1368	1375	1383	1387

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX January contract below 1380, T1-1376. T2-1372 and stop loss above 1383.

SPOT MARKET PRICES [Not Reported -NR]

Centers	Market	05.01.07	04.01.07	Change	Arrivals (Bags)
Indore	Plant	1375-1390	1360-1380	+10	1 lakh bags MP
Indore	Mandi	1320-1340	1320-1340	0	
Maharashtra	Plant	1370-1385	1375-1395	-10	10,000 to 15,000
Maharashtra	Mandi	1315-1325	1315-1330	-5	
Kota	Plant	1365-1380	1410-1415	-35	45,000 - 45,000 Rajasthan
Kota	Mandi	1310-1350	1350-1360	-10	

MUSTARD

FUNDAMENTALS:

NAFED revised up the prices uniformly across spot markets by Rs 5 per qtl. Deliveries of mustard seeds across Jaipur and Alwar region have improved considerably. The open market rates for mustard seeds [Stocked during 2005-06 season] stood at Rs 1700 per qtl, however for Jaipur seed rates stood at Rs 1735 per qtl. Spot markets reacted equivocally, thereby registering a slight hike in prices across the centres. As per traders, slight improvement in edible oil sentiments made the prices dearer amidst normal offtake by millers and stockists. However, physical demand was said to have firmed up in Delhi region at the backdrop of drop in supply pressure. The NCDEX January contract closed at 369.10 against previous closing of 364.35. Mustard futures firm amidst upward price revision done by NAFED. Steady rapeseed meal sentiments would limit the mustard futures to trade on higher side.

PRICE DRIVERS:

1. Just enough seed stocks with NAFED.
2. NAFED revised up the prices uniformly across centres.
3. Resellers sold off seeds as per market trend.
4. Improved arrivals at spot markets.
5. Good 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

Unfilled candlesticks indicate bullishness. MACD has declined into negative territory. Stochastic has made a bullish cross over in oversold region, indicating possible recovery from weak sentiments. The prices closed below 9-day and 18 day EMA. Volume increased and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	360	363	369.1	377	380

TRADE RECOMMENDATION:

Sell NCDEX January contract below 372, T1-365 and stop loss above 375.

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

Markets	05.01.07	04.01.07	Change	Arrivals (Bags)
Jaipur (C)	1855-1860	1845-1850	+10	10,000 - 15,000 -Rajasthan.
Alwar(C)	1800-1810	1750-1760	+50	700-800
Delhi(C)	1940	1930	+10	300
Agra(C)/Katchi Ghani	1950/4600	1975/4600	-25	-
Sri Ganganagar (NC)	1625-1630	1620-1630	0	150-200
Kota (NC)	1660-1670	-	-	-

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 be steady in a range of 60,000 to 70,000 bags. Rates for seeds were reported to be around Rs 425 to 430 per 20 Kg. Prices for groundnut oil was quoted at Rs 555 to 560 per 10 Kg

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