

## OILSEED DAILY

31<sup>st</sup> January 2006

### SOYBEAN

#### SPOT MARKETS:

Trade activities remained sluggish in across domestic market on Muharram. In MP beans prices improved marginally by Rs. 5 on declined arrivals sharply by 15,000-20,000 bags with steady offtake from resellers. Mixed CBOT and weak BMD had underlying bearish impact. Reports of bird flu in Russia aids bearishness. Meal demand remained weak in domestic market and on ports.

#### FUTURES MARKET: -

The NCDEX March contract opened at Rs 1434.15/qrtl against yesterday closing at Rs 1436.3/qrtl. Amidst devoid of fundamental news and weak soy oil futures, benchmark of soybeans March contract at NCDEX witnessed speculative selling and contract closed at Rs 1426.05/qrtl, Rs 10.25 down to previous closing level.

#### PRICE DRIVERS:

1. Reports of bird flu in Russia
2. Most of market remained closed on Muharram
3. Mixed CBOT soy oil futures
4. Declined beans arrivals

#### WEATHER:

Forecast of isolated rainfall over north Rajasthan might affect beans arrivals while in rest of growing areas mainly dry weak would facilitate beans arrivals.

#### TECHNICALS: -

Soybean charts are showing weak sentiments in the market. The prices closed below EMA, which shows weakness is intact. MACD and Stochastic are both in favor of bears. Candlestick has formed a maruboji pattern, which supports the bears strongly. The prices are likely to remain on the softer side.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - March	1410	1418	1426.05	1443	1449

#### TRADE RECOMMENDATION: (Intraday)

Risk lovers can Sell NCDEX March Soybean contract below 1430 with target of 1420 and then 1415. Put SL at 1436.

#### SPOT MARKET PRICES: -

Markets	Market	30.01.07	29.01.07	Change	Arrivals (Bags)
Indore	Plant	1420-1423	1425-1430	-5	30,000-40,000 M.P.
Indore	Mandi	1370-1395	1370-1400	0	
Maharashtra	Plant	MC	1455-1460	-	-
Maharashtra	Mandi	MC	1410-1435	-	
Kota	Plant	MC	1410-1415	-	-
Kota	Mandi	MC	1335-1350	-	

## MUSTARD

### SPOT MARKETS:

Due to Muharram trade activities remain slower and nil selling of mustard seed was reported from Nafed. Stockists and resellers stood dominated the market and sold at higher prices to yesterday while overall arrivals declined had underlying bullish impact. The projected production [2006-07] for mustard is expecting to fall short by a greater margin (58.5 lakh ton in 2006-07 while it remained at 67.7 lakh ton in 2005-06, estimation by COOIT) owing to delay in sowing and higher temperature supported the bullish sentiments.

### FUTURES MARKET: -

The NCDEX February contract of mustard seeds futures opened at Rs 367.50/20Kg against previous closing of Rs 368.3/20Kg. February contracts of mustard seeds futures witnessed speculative buying on follow-through sentiments and aforesaid factors. The contract closed at Rs 369.3/20 Kg, Rs 1 high to previous days closing price levels.

### PRICE DRIVERS:

1. Stockists and resellers remained active
2. Declined arrivals of mustard seeds.
3. Reports of nil selling by Nafed
4. Cloudy weather conditions in North Rajasthan.

### WEATHER:

The migration of cloudy condition over north Rajasthan could be less supportive to mustard crop in pod filling to seed forming stage.

### TECHNICALS

Mustard charts are showing continued weakness in the market. The prices closed below EMAs, which shows bearish trend is intact. MACD is running down slowly in negative region, which suggests bearish momentum is increasing. Stochastics are also negative in the neutral region. The prices are likely to remain on softer side.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - Feb	362	366	369.3	375	377

### TRADE RECOMMENDATION:

Risk lovers can Buy NCDEX Mustard Feb contract above 367 with target of 373 and then 375. Put SL at 364.

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

Markets	30.01.07	29.01.07	Change	Arrivals (Bags)
Jaipur (C)	1840-1845	1835-1840	+5	8,000-10,000
Alwar(C)	1750	1740-1745	+10	600
Delhi(C)	1890	1880	+10	300
Agra(C)/Katchi Ghani	1900/4400	1900/4450	0	-
Sri Ganganagar (NC)	1650	1630-1650	+20	200
Kota (NC)	-	1640-1650		-

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 605-620/10 Kg.

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