

OILSEED DAILY

SOYBEAN

3rd January 2006

FUNDAMENTALS:

Solvent plants, local processing meals in all the three states continued offtake of beans thus firming up demand at their end. However, temporary weakness for edible oils limited offtake of beans in bulk. Arrivals in Maharashtra improved significantly and other centres registered steady arrivals. Different rates were quoted for beans sold off in Maharashtra in conformity with quality of beans brought in spot markets. The NCDEX January contract closed at 1383 against the previous closing levels of 1386.15. Lack of fresh fundamentals amidst closed International markets for edible oil seemed to have prompted soybean futures to trade amidst indecisiveness.

PRICE DRIVERS:

1. Negligible arrivals across spot markets.
2. Temporary weakness in soy oil sentiments in domestic markets.
3. Steady soymeal rates at ports.
4. Stockists disposing off beans at prevailing market prices.

WEATHER:

Weather is reported to be clear to facilitate arrivals.

TECHNICALS

Dark candlesticks indicate bearishness. Stochastic is declining steadily. MACD is hovering in neutral territory. The prices closed near 18-day EMA indicating slight decline in positive momentum. Volume increased & open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	1362	1367	1383	1390	1395

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX January contract below 1384, T1-1379, T2-1370 and stop loss above 1388.

SPOT MARKET PRICES [Not Reported -NR]

Centers	Market	02.01.07	01.01.07	Change	Arrivals (Bags)
Indore	Plant	1390-1400	1380-1385	+15	75,000 to 80,000 bags MP
Indore	Mandi	1330-1350	1340-1360	-10	
Maharashtra	Plant	1390-1400	1400-1410	-10	60,000 to 70,000
Maharashtra	Mandi	1320-1370	1360-1380	-10	
Kota	Plant	1380-1390	1370-1375	+15	20,000 Rajasthan
Kota	Mandi	1330-1340	1330-1350	-10	

MUSTARD

FUNDAMENTALS:

NAFED has revised down the mustard seed rates [stocked during 2005-06] to Rs 1715 per qtl [Equal to MSP] for conditional seeds and Rs 1620 -1625 per qtl for Non-Conditional seeds, however rates quoted for Jaipur Centre remained at Rs 1740 per qtl. Limited arrivals and good demand for mustard seeds in Delhi market firmed up the prices, elsewhere rates eased down in consensus with market price direction. Weak edible oil sentiments in domestic market prevented traders from continuing offtake in bulks, however stockists continued procurement in bulk. The NCDEX January contract closed at 362.7 against previous closing of 366.35. Open market rates have eased down considerably to support buying interest from millers and traders alike.

PRICE DRIVERS:

1. Dwindling seed stocks with NAFED.
2. NAFED quoted rates in range of Rs 1715 to 1740 per qtl.
3. Resellers sold off seeds as per market trend.
4. Negligible arrivals at spot markets.
5. Weak demand for edible oil in domestic market.

WEATHER

Rains or thunderstorms expected after 4th of this month over North West India regions. Rains are beneficial at this time to fight cold temperatures.

TECHNICALS

Dark candlesticks with prominent upper shadow indicate bearishness. MACD has further declined into negative territory and Stochastic too is scaling down into oversold region, indicating weak sentiments ahead. The prices closed well below 9-day and 18 day EMA. Volume increased and open interest declined.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX Jan	352	356	362.70	365	368

TRADE RECOMMENDATION:

Buy NCDEX January contract above 360, T1-363 and stop loss below 359.

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

Markets	02.01.07	01.01.07	Change	Arrivals (Bags)
Jaipur (C)	1870-1875	1880-1885	-10	9000 - 10,000 -Rajasthan.
Alwar(C)	1800-1810	1850	-40	300-400
Delhi(C)	1920-1930	1910-1920	+10	300-400
Agra(C)/Katchi Ghani	1950/4650	1950/4750	0	-
Sri Ganganagar (NC)	1625-1630	1640	-10	200-250
Kota (NC)	1640-1650	-	-	-

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Limited availability of nuts, steady arrivals, temporary weakness in other oilseeds, winter demand from animal feed industry kept the prices firm at different spot markets. Thus rates for groundnut oil also followed the uptrend owing to higher cost of raw materials. 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 415 to 430 per 20 Kg. Prices for groundnut oil was quoted at Rs 570 to 572 per 10 Kg amidst firm prices for nuts at spot markets. The demand for meal is likely to catch up pace by end of this year.

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