

## OILSEED DAILY

### SOYBEAN

11<sup>th</sup> January 2006

#### SPOT MARKETS:

Rates for beans declined across spot markets owing to lack of fresh fundamentals, weak sentiments for edible oil and oilmeal in general amidst slight decline in daily arrivals. Solvent units were reported to have procured beans at relatively lower rates for procuring beans from stockists and producers. Due to limited ready availability of quality beans in open markets of Maharashtra, solvent units procured beans in bulk from mandis thus firming up rates and hence demand.

#### FUTURES MARKET: -

The NCDEX February contract opened at Rs 1391.85/qrtl against previous closing levels of Rs 1394/qrtl. Weak soy and palm oil in overseas led domestic soybean futures market to trade on weaker side amidst weak sentiments for soybean in spot markets. The contract closed at Rs 1382/qrtl, well below the previous closing level.

#### PRICE DRIVERS:

1. Slight decline in arrivals across spot markets.
2. Weak sentiments for soy oil in domestic market.
3. Weak palm oil futures.
4. Steady to weak soymeal sentiments across domestic markets.
5. Normal offtake by solvent units.

#### WEATHER:

Weather is reported to be clear to facilitate arrivals.

#### TECHNICALS

A dark candlestick with prominent lower shadow indicates bearishness. Stochastic is scaling down towards oversold region. MACD has declined into negative territory. The prices closed well below 9 day EMA and 18-day EMA indicating steep decline in positive momentum. Volume increased and Open Interest declined



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX - Feb	1358	1366	1382	1390	1398

#### TRADE RECOMMENDATION: (Intraday)

Sell NCDEX January contract below 1382, T1-1376, T2-1371 and stop loss above 1385.

#### SPOT MARKET PRICES: -

Centers	Market	10.01.07	09.01.07	Change	Arrivals (Bags)
Indore	Plant	1370-1385	1385-1400	-15	70,000 to 80,000 bags MP
Indore	Mandi	1310-1350	1320-1345	+5	
Maharashtra	Plant	1370-1390	1415-1420	-30	45,000 to 50,000
Maharashtra	Mandi	1320-1350	1375-1380	-30	
Kota	Plant	1370-1375	1365-1385	-10	12,000 to 15,000 Rajasthan
Kota	Mandi	1310-1340	1330-1340	0	

## MUSTARD

### SPOT MARKETS:

Resellers sold off seeds to oil millers as per prevailing price trend. Arrivals remained steady at previous levels. Traders opine for resuming active trading after Sankranti. Thin supply of mustard seeds in Delhi region, firmed up the rates amidst normal demand. Elsewhere the rates remained range bound and sentiments steady. NAFED revised down the prices across the spot markets. The new rates quoted by NAFED stood at Rs 1735 per quintal for Jaipur region and for rest of the centres it stood at Rs 1690 per qtl. [For seeds stocked during 2005-06 season]. As per traders, lower prices of seeds are lucrative for oil mills to procure in bulk.

### FUTURES MARKET: -

The NCDEX February contract opened at Rs 379 per 20 Kg against previous closing of Rs 379.9 per 20 Kg. Contract traded weak owing to bearish sentiments for edible oils in general, amidst downwards price revision done by NAFED. The contract closed at Rs 376.15 per 20 Kg, Rs 3.75 below the previous closing levels.

### PRICE DRIVERS:

1. Just enough seed stocks with NAFED.
2. NAFED revised down the prices for mustard seeds.
3. Resellers quoted seed rates as per prevailing trend
4. Steady arrivals at spot markets.

### WEATHER

Dry weather is likely to prevail over mustard growing regions.

### TECHNICALS

Dark candlestick indicates bearishness. Stochastic is scaling up steadily. MACD has become steady in negative territory. The prices closed below 9 day & 18-day EMA indicating decline in positive sentiments. Volume declined and open interest hiked marginally.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX - Feb	366	369	376.15	379	384

### TRADE RECOMMENDATION:

Buy NCDEX January contract above 373, T1-377 and stop loss below 371.

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

Markets	10.01.07	09.01.07	Change	Arrivals (Bags)
Jaipur (C)	1865	1865-1870	-5	10,000 - Rajasthan.
Alwar(C)	1810	1800-1810	0	500
Delhi(C)	1950	1930-1935	+15	200-300
Agra(C)/Katchi Ghani	1950/4600	1950/4600	0	-
Sri Ganganagar (NC)	1640	1635-1640	0	150-200
Kota (NC)			-	-

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET: -

Spot market sentiments remained steady at lower levels amidst weak sentiments for edible oil in domestic market. Weak soy oil and palm oil futures in overseas prevented rates from firming up today despite limited crushing of nuts and thin supply. Arrivals were reported to be in a range of around 65,000 bags. Rates for seeds were reported to be around Rs 415 to 435 per 20 Kg for across spot markets in Gujarat. Prices for groundnut oil was quoted at Rs 560 to 572 per 10 Kg

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