

OILSEED DAILY

23rd January 2006

SOYBEAN

SPOT MARKETS:

Soybeans prices stood mixed in the spot market. In Maharashtra beans arrivals improved significantly due to mandis remained closed on Saturday while in Rajasthan regions it arrivals declined nearly by 5,000 bags had underlying bullish impact. Buying for soybeans is witnessed less aggressive across domestic market as compare to arrivals due to reduced interest of resellers, as prices are high these days. Crusher/millers interest also declined due to sluggishness in meal at ports and low parity for soy oil had bearish impact. Also, weakness in soy oil had some underlying bearish impact.

FUTURES MARKET: -

The NCDEX February contract opened at Rs 1435/qrtl against yesterday closing at Rs 1434.35/qrtl. Tracking soy oil futures, soybeans February contract witnessed speculative selling during most part of trade-day. The contract closed at Rs 1422.4/qrtl, Rs 12.15 down than the previous closing level.

PRICE DRIVERS:

1. Increased daily arrivals.
2. Weakness in soy oil
3. Sluggish soymeal sentiments at ports
4. Firm crude palm oil futures at BMD

WEATHER:

Weather is reported to be clear to facilitate arrivals.

TECHNICALS: -

Soybean charts are giving mixed signals. The prices closed above 9-days and 18-days EMA, which suggests firmness is intact. MACD is running upward in positive zone, which indicate increase in bullish momentum. However, long upper shadow of candlestick depicts tentativeness at higher levels. has also entered in positive territory, showing increasing dominance of bulls. Stochastics however are negative in neutral region.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - Feb	1405	1416	1422.5	1451	1460

TRADE RECOMMENDATION: (Intraday)

Risk lovers can Buy NCDEX Soybean Feb contract above 1418 with target of 1435 and then 1445. Put SL at 1408.

SPOT MARKET PRICES: -

Centers	Market	22.01.07	20.01.07	Change	Arrivals (Bags)
Indore	Plant	1420-1440	1430-1450	-10	90,000-95,000 M.P.
Indore	Mandi	1350-1400	1370-1410	-20	
Maharashtra	Plant	1470-1475	1470-1475	0	70,000-75,000
Maharashtra	Mandi	1430-1450	1400-1420	+30	
Kota	Plant	1380-1400	1380-1410	0	28-30,000 Rajasthan
Kota	Mandi	1325-1345	1335-1355	-10	

MUSTARD

SPOT MARKETS:

Nafed did not revise mustard seeds prices on third consecutive days across domestic market and In Kota it halt at Rs. 1690/qttl [bag], whereas in Jaipur stood at Rs. 1735/qttl [for seeds stock during 2005-06]. Overall arrivals declined significantly by 500-1,000 bags remained ignored on good demand of mustard oil from Eastern and Northern parts of country. Mustard seeds crushing kept steady as millers/crushers had easy availability of mustard seeds from Nafed and stockists. Traders are expecting new mustard crop harvesting will begin by the end of February month supported short-term bearish impact.

FUTURES MARKET: -

The NCDEX February contract opened at Rs 372.85 /20Kg against previous closing of Rs 372.75/20Kg. Weakness in soy oil and soybeans futures market had bearish impact on mustard seeds but in later part market recovered marginally on profit-taking on February contract. The contract closed at Rs 373/20 Kg, Rs 0.25 high to previous days closing price levels.

PRICE DRIVERS:

1. Decline arrivals of mustard seeds.
2. NAFED did not revised down mustard seeds rates.
3. Regular demand from Northern and Eastern parts of country
4. Steady in other vegetable oils

WEATHER:

Mainly dry weather over western India. A fresh western disturbance is likely to affect northwest India from 24th onwards.

TECHNICALS

Mustard charts are showing continued weakness in the market; however, dragon fly doji pattern shows the current indecision in the market. The prices closed below 9-days and 18-days EMA, which suggests downtrend is intact. MACD is rising slowly in negative zone, which indicate continued fall in bearish momentum. Stochastics however are negative in neutral region.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - Feb	368	370	373	375	377

TRADE RECOMMENDATION:

Buy NCDEX Mustard Feb contract above 371 with target of 375 and then 377. Put SL at 369

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

Markets	22.01.07	20.01.07	Change	Arrivals (Bags)
Jaipur (C)	1835	1840-1845	-5	10,000-12,000
Alwar(C)	1750-1760	1760-1765	-10	400-450
Delhi(C)	1910	1905	+5	1000
Agra(C)/Katchi Ghani	1920/4500	2000/4600	-80	-
Sri Ganganagar (NC)	1640-50	1625-1630	+15	400-500
Kota (NC)	1660-70	1660-70	0	300-400

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Reports of Rabi groundnut sowing in few places in Andhra Pradesh and Karnataka had good demand for groundnut seeds had bullish impact and sentiments amplified by firmed groundnut oil. Arrivals declined by around 10,000 bags to 35,000 to 40,000 bags]. Seeds rates varied from Rs 410 to 446/20Kg (bag) across spot markets in Gujarat. Prices for groundnut oil became eased down and were reported in a range of Rs 585-590/10 Kg.

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