

OILSEED DAILY

SOYBEAN

15th January 2006

SPOT MARKETS:

Decline arrivals in MP, improved physical demand in Maharashtra, upcoming festive demand [Sankranti], higher soymeal demand at port and lack of strong fundamentals development have bullish impact across spot markets. Crushing margins for soymeal at processors end have declined marginally due to higher cost of beans. Solvent extraction plants limited their regular offtake of beans for processing and were reported to be concentrating more on refining of crude soy oil to meet festive and winter demand ahead.

FUTURES MARKET: -

The NCDEX February contract opened at Rs 1385.85/qtl against yesterday closing at Rs 1381.8/qtl. Amidst firm soy futures at CBOT on bullish USDA monthly release witnessed speculative buying during trade-session. The contract closed at Rs 1428.7/qtl, Rs 44.9 above the previous closing level.

PRICE DRIVERS:

1. Declined overall arrivals
2. Improved demand for soy oil in domestic market.
3. Firmed CBOT with bullish USDA month report
4. Good soymeal sentiments across domestic markets.

WEATHER:

Weather is reported to be clear to facilitate arrivals.

TECHNICALS: -

Soybean futures bounced higher to close above 9-days EMA, which indicates short-term firmness in the prices. Stochastics have given bullish signal in oversold zone, whereas MACD is running flat in negative territory. The prices are likely to continue the renewed firmness.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX - Feb	1400	1412	1428.7	1440	1450

TRADE RECOMMENDATION: (Intraday)

Buy February Soybean at NCDEX above 1425 with target of 1438 and then 1446, put stop loss below 1418.

SPOT MARKET PRICES: -

Centers	Market	13.01.07	12.01.07	Change	Arrivals (Bags)
Indore	Plant	1400-1425	1380-1400	+20	50,300 - 55,000 MP
Indore	Mandi	1350-1380	1320-1350	+30	
Maharashtra	Plant	1380-1385	1420-1450	-40	38,000-40,000
Maharashtra	Mandi	1350-1370	1350-1370	0	
Kota	Plant	1325-1345	1365-1375	-40	23,000-25,000 Rajasthan
Kota	Mandi	1380-1390	1310-1325	+70	

MUSTARD

SPOT MARKETS:

Nafed didn't revised mustard seeds prices. Arrivals declined from stockists to yesterday on ideas of marriage season ahead would bring some cheers in the market. Nafed continued to rule mustard seeds selling at prevailing prices to liquidate remaining 2 lakh ton had bearish impact. Millers are procuring seeds as prices remained in range of parity to pile up sufficient stocks, as buffer, to continue crushing for a month or more. Reports for Toria harvesting started at few place had bearish impact.

FUTURES MARKET: -

The NCDEX February contract opened at Rs 359.95/20Kg against previous closing of Rs 358.15/20Kg. Speculative buying at February contract of soybeans had spillover impact on mustard seeds and it mirrors same sentiments. The contract closed at Rs 372/20 Kg, Rs 3 higher to yesterday closing levels.

PRICE DRIVERS:

1. Aggressive mood of Nafed with 12 lakh ton stock.
2. Marriage season ahead
3. Slight improvement of seeds demand
4. Declined arrivals

WEATHER

Dry weather is likely to prevail over mustard growing regions. However, ground frost is likely over some parts of plains of northwest India.

TECHNICALS

Mustard is continuing its bearish trend. The prices closed below EMAs shows weakness is intact. Stochastics are negative in neutral region, whereas MACD is showing slight increase in bearish momentum. He prices are likely to remain on the weaker side.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
NCDEX - Feb	365	367	372	377	379

TRADE RECOMMENDATION:

Sell NCDEX February Mustard below 374 with target of 370 and then 368, put stop loss above 376.

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

Markets	13.01.07	12.01.07	Change	Arrivals (Bags)
Jaipur (C)	1840-1850	1830-1835	+10	15000/20000
Alwar(C)	1800	1760-1770	+30	400
Delhi(C)	1930-1935	1950	-20	200
Agra(C)/Katchi Ghani	1950/4600	1950/4600	0	-
Sri Ganganagar (NC)	1625-1630	1620-1625	+5	250-300
Kota (NC)	1660	1660	0	-

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Spot market sentiments improved amidst support from soybeans and edible oil in domestic market. Bullish overnight CBOT added bullish tone in the market along with thin supply. Arrivals were reported to be in a range of around 50-60,000 bags. Rates for seeds were reported to be around Rs 420 to 436/20Kg (bag) for across spot markets in Gujarat. Prices for groundnut oil was quoted at Rs 570 to 580/10 Kg

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