

TRADE MASTER

Dec 03, 2005

LEMON TUR

- With the current offering from Burma at lower levels and approaching harvest season followed by estimations of higher deliveries against contract expiry, pressure is evident in spot as well as futures markets.
- Tur acreage and productivity remains impressive this year and ample stock availability is also reported. Before new season supplies emerge, current inventory remains much above the level of requirements. The new crop has started entering the regions of Gujarat and Andhra Pradesh. But bad weather in these states in recent have encouraged speculations for an adverse effect in the crop output.
- The developments at the futures markets had been quite interesting. Following a low of 1511, 5 days back, there had been intense covering of shorts followed by fresh buying.
- **Last day's strategy met with profits worth Rs.3400/ contract.** Enter between ranges of 1598-1602 as **LONG** and square off at 1618, placing place stop loss at 1589. Aggressive traders can target around 1623-1625.



NCDEX

Contract	January 2005
Exchange	NCDEX
STRATEGY	LONG
Entry point	1598-1602
Stop Loss	1589
Support	1591
Resistance	1625

GUAR SEED

- Big stocks and consistent arrivals led to sentiments remaining weak in physicals.
- All India arrivals have been put up to 55,000-58,000 bags. Arrivals of 19000-20000 bags is reported in Haryana, around 21000-22000 bags in Rajasthan and around 5000 bags arrived in various mandis of Gujarat. Buying support was seen in guar seed in spot markets as well as on futures during closing hours.
- For most of the day physical markets remained steady on good buying support. The prices of both the guar seed as well as the guar gum were quoted slightly stronger side. Big stocks and consistent arrivals led to sentiments remaining weak in physicals.
- **Traders still into trade on last strategy advised to extend stop loss.** Go **SHORT** at 1742. Book your profits in the level of 1720. Aggressive traders can look for levels around 1708, extended to 1690.



Trade Strategy

Contract	January
Exchange	NCDEX
STRATEGY	Short
Entry point	1742
Stop Loss	1757
Support	1680
Resistance	1758

SOYA OIL

- India's edible oil prices were mixed in the week to Friday, as there was good supply of locally produced oils and oilseeds matched by equal demand.
- The Brazilian Vegetable Oils Industry Association, or Abiove, maintained its estimates for the 2006-07 soy crops at 57.1 million metric tons, and soybean exports at 24.5 million. Soyoil output was seen at 5.6 million tons next year, up from 5.5 million tons in October.
- The steep drop in exports fueled talk that stocks may have reached record highs of around 1.6 million tons at the end of November because production may have outstripped demand.
- Stocks totaled 1.5 million tons at the end of October. Official production and stocks data are due to be issued by the Malaysian Palm Oil Board mid-December.
- Traders said palm oil prices may be choppy in the coming days as participants await fresh leads. There are no supply and demand data scheduled to be released next week.
- **Previous day's strategy met with the profit of Rs.1300 per contract.** Go **LONG** at 348.20. Book your profits in the level of 349.40. Aggressive traders can look for levels around 350.00-351.00 levels.

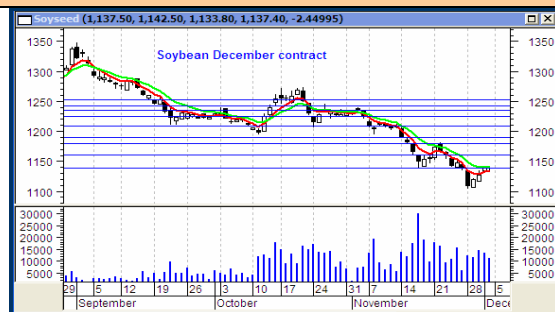


Trade Strategy

Contract	December
Exchange	NCDEX
STRATEGY	Long
Entry Point	Above 348.20
Stop Loss	347.60
Support	346.00
Resistance	352.00

SOYBEAN

- Oilseeds have become an exception with prices weakening steadily, When the price of every other commodity is on the upswing, much to the discomfiture of growers.
- In the spot market, soybean recently hit Rs.1,100 a quintal, the lowest in recent memory
- Currently, daily market arrivals are estimated at about four Lakh bags. The trade estimate of soybean production is 61.6 Lakh tonnes, while the Government's preliminary estimate is higher at about 70 Lakh tonnes. The Brazilian Vegetable Oils Industry Association, or Abiove, maintained its estimates for the 2006-07 soy crop at 57.1 million metric tons, and soybean exports at 24.5 million.
- Argentina's farmers had planted 64% of the 2005-06 soybean crop by Thursday, down slightly from last year's 67%, the Agriculture Secretariat said Friday.
- Planted area is forecast at a record 15.11 million hectares in 2005-06, up from 14.4 million previously. The U.S. Department of Agriculture has forecast Argentina's 2005-06 soybean output at a record 40.5 million metric tons, up from last year's record of 39 million.
- Go **LONG** at 1137.00. Book your profits in the level of 1145.00. Aggressive traders can look for levels around 1151 levels.



Trade Strategy

Contract	December
Exchange	NCDEX
STRATEGY	LONG
Entry Point	At 1137
Stop Loss	1131.50
Support	1100
Resistance	1152

URAD

- Sentiments in Urad markets remained softer during greater part of the day. There are reports of entering of new season crops in mandis of UP and parts of Orissa.
- Also, containers are arriving frequently at the port of Chennai. Sources say around 160 containers have arrived in a week's span. Physical trade was lull throughout the day. This explains falling of January urad surfacing mostly in the lower ranges of 2525-2535.
- Late hour recovery attributed to covering of the shorts followed by strength in other pulses.
- Recalling the developments in recent past, incessant rain in some major producing areas of Andhra Pradesh is feared to have adverse impact on early sown Rabi crop of urad.
- Weather remains the key price-driving factor for urad at present.
- Wait for prices to enter the range of 2575-2577. Enter as **SHORT** in this range and exit with a target of 2550. Place stop loss at the offer of 2589. Aggressive traders can look for levels around 2530-2535.



Trade Strategy

Contract	Jan 2005
Exchange	NCDEX
STRATEGY	SHORT
Entry Point	2575-2577
Stop Loss	2589
Support	2525
Resistance	2588

CHANA

- Weather concerns helped chana prices to post decent gains in Delhi on Friday. Arrivals at Lawrence road markets were reported at 12-15 motors and all of the arrived motors were sold out in the morning. Prices for the same in Delhi were quoted at Rs 2020 per qtl during evening session.
- Traders are worried about fate of re-sown chana in Andhra Pradesh.
- Advanced speculation on likely impact of cyclone approaching to AP helped chana also attributed to recovery from the earlier bearish spell.
- Traders of north had already expected a bounce back near the level of 1900-1905.
- Strength in other pulses also imbued bullish tone, apart from hopes of emerging demand ahead of Pongal festival and depleting inventory levels.
- **Last day's strategy booked profits worth Rs.3800/contract.** Enter as **LONG** above at the opening offer and square off the position at 2044. Place stop loss at offer of 2009. Aggressive traders can target around offers of 2055-2060.

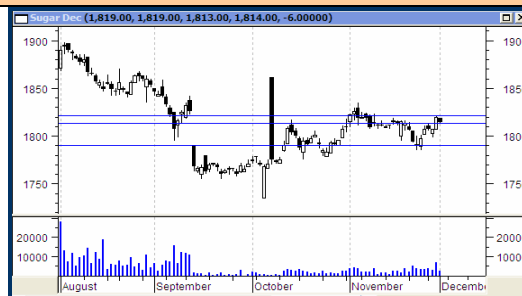


Trade Strategy

Contract	JANUARY 2005
Exchange	NCDEX
STRATEGY	LONG
Entry point	Open price
Stop Loss	2009
Support	2010
Resistance	2061

SUGAR

- According to trade sources, there are some fresh enquiries from Gujarat and other centers but local demand is low. On the other hand, ready stocks with mills have reduced compared with previous months.
- Ready prices of medium grade (M-30) at Vashi APMC market were up Rs 15-20 at Rs 1882-1955 per quintal over the previous day, while small grade (S-30) was up Rs 10-15 at Rs 1830-1861 per quintal over the previous day.
- Sugar prices are likely to move upward at spot and futures market this week on fresh upcountry buying and lower stocks with mills. There are talks in the market that Maharashtra might get a lower free sale allocation for next month. The Maharashtra State may get about 2.33-2.34 lakh tonnes of free sale allocation for December.
- The State has been allocated 2.32 lakh tonnes for the current month. The Government announced national quota of 11 lakh tonnes for December. Future prices are expected to push up further despite spot market still slightly weak.
- **Last day's strategy met with stop loss..** Go **LONG** at 1808. Book your profits in the level of 1814. Aggressive traders can look for levels around 1819.



Contract	December 2005
Exchange	NCDEX
STRATEGY	Long
Entry point	At 1808
Stop Loss	1802
Support	1800
Resistance	1832

CRUDE

- Crude futures climbed to a three-week high above \$59 a barrel Friday and natural-gas prices traded at their highest level in over a month as cold-weather forecasts in the U.S. and upbeat economic figures fueled expectations of strong energy consumption.
- Forecasts predict colder weather in most of the U.S. over the next few days. "Much colder air will invade the South in the coming week as most of the country will be downright cold - even for December standards," according to Weather.com.
- The U.S. economy added 215,000 jobs in November, bouncing back from two months of weak job growth following Hurricanes Katrina and Rita, the Labor Department said.
- The economy grew at a 4.3 percent annual rate from July to September, the quickest since the first quarter of last year, the Commerce Department said Nov. 30. The U.S. uses 25 percent of global oil output.
- The rally started with the inventory reports on Wednesday, and the arrival of a little cold weather added further strength to the market.
- **Last day's strategy met with profit of RS.700 per contract.** Go **SHORT** at 2740. Book your profits in the level of 2725. Aggressive traders can look for levels around 2705 levels.



Trade Strategy	
Contract	Dec 2005
Exchange	MCX
STRATEGY	Short
Entry point	2740
Stop Loss	2751
Support	2675
Resistance	2756

Complementary Commodity: CHILLI

- Amidst routine inquiries, spot offers in Guntur remain stable. In Andhra, sowing of bigger crop is reportedly progressing smoothly but cyclone warning in AP and TN on Wednesday might not be cheering for growers in case the impact is seen on the crop growth.

- Futures continued showing choppy movements. The early half saw movements in the red while markets followed a reverse course in the later half.

- Demand is expected to remain steady for coming days.

- Go **SHORT** at 3310. Book your profits in the level of 3290-3285. Aggressive traders can look for levels around 3270 levels.



Trade Strategy

Contract	Dec 2005
Exchange	NCDEX
STRATEGY	SHORT
Entry Point	3310
Stop Loss	3320
Support	3260
Resistance	3325

Disclaimer

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