



## Rate increase by NAFED

### Mustard: Rate increase by NAFED

The rates quoted were Rs30/qtl higher than the one quoted earlier. Crushing units and private companies continued offtake of seeds amidst improved rates for edible oil in domestic market. The overall demand was weak due to spiralling open market prices. However, the winter demand due to the marriage season in north India is expected to keep the prices firm in the near term.

### Bullions: Accumulation

Gold finally broke away from its earlier trading band to move past \$630 an ounce yesterday as Iran said it would defy sanctions imposed by the United Nations (UN) and continue its nuclear programme. However, gold succumbed to selling pressure when oil retraced from \$63 a barrel.

Any consolidation ahead of the year-end is welcome as it would give enough space for the bulls to get ready for a fresh rally.

### Crude oil: Range-bound

Crude oil moved past \$63 a barrel yesterday following Iran's reaction to the UN sanctions. US crude oil inventories probably fell last week as refineries increased operating rates. Crude is expected to fall by 1.75mb, according to consensus estimates. However, mixed forecast for the distillates hold the market in a wait-and-watch mode.

Gasoline inventories probably rose 700,000 barrels from 200.9 million last week. Any unexpected draw-down in the inventories would keep the market firm.

### Soybean: Expected to be choppy

Plants continued to build up their reserves to suffice for seasonal demand of edible oil. Buyer's interest was dominant which drove the prices up owing to firm sentiments for vegetable oil in domestic market. The CBOT soy bean prices too displayed a very strong upmove last night.

### Soy oil: International cues strong

Refined soy oil prices strengthened in the spot market, as palm oil futures jumped to a 33-month high at BMD. CIF prices too were higher. Near-term shortage of soy oil in the market had underlying bullish impact in the domestic market. The overnight soy oil futures on CBOT were sharply higher and so were the eCBOT prices this morning. However, the palm oil prices were very choppy above the MYR 2000 per tonne levels.

### Wheat: Weak sentiments in wheat

The demand in the spot market continues to be weak. The supply of wheat in the south is adequate due to influx of imported wheat in these states. This has pulled down the prices in Delhi markets, which have traditionally been the main suppliers of wheat to these states.

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