



## Soy complex positive

### Soy bean: Positive

Arrivals of beans in Madhya Pradesh declined considerably. Strong sentiments for edible oil are expected to firm up demand at few places. However, solvent extraction units continued regular offtake of beans in bulk so as to suffice for buffer stocks for the next fortnight. The CBOT soy bean futures have also been positive this week due to favourable export data for the USA.

### Soy oil: Positive

Recent data on oil seed sowing up to December 22 declined by 9.39% to 8.94 million hectare had mixed reaction in the spot market and resulted in volatile prices domestically. Firmness overnight at CBOT and weakness at BMD further magnified the mixed trends. The CPO futures closed above the MYR2000 levels. The eCBOT soy oil was trading higher in the morning.

### Bullions: To trade firmer

Bullions continued to move up yesterday despite the release of good economic data supporting the dollar. Year-end short covering was also seen yesterday in precious metals. The expectations that the European Central Bank may continue to raise rates while the US Federal Reserve may trim rates triggered an upmove in the euro, putting gold on the front foot. Further, the geopolitical news including the developments in Iran (the Iranian government is re-examining its ties with the United Nations nuclear agency) added fuel to the rally. Expect bullions to trade firmer.

### Crude oil: Range-bound

Oil continues to travel in a range, however with a weak bias this time around. Warm weather in the north-east of the USA is dragging prices lower owing to a drop in the heating oil demand.

US oil inventories have fallen for five straight weeks, dropping 20.2 million barrel, or 6%. Inventories on December 22 were 0.7% less than a year earlier. Traders said an 8.1-million-barrel decline in oil supplies isn't a clear indication of OPEC cutbacks as fog delayed tankers on the Houston Shipping Channel.

### Mustard: Rate increase by NAFED

NAFED revised down the rates today against the backdrop of just enough carry forward stocks available with them. The open market rates for mustard seed (stocked during 2005-06) as declared by NAFED was quoted at Rs1,750/quintal (conditional) across the centres. However the rate quoted for Jaipur line stood at Rs1,765 per quintal. The offtake of seeds continued, as millers and stockists were reported to have continued building up stocks. Since the rates eased, spot market sentiments followed.

### Wheat: Acreage higher than last year

Wheat supply for the public distribution system and in the open markets is expected to improve this week on arrival of 2.062 million tonne of duty-free imports at various Indian ports. The ports that received wheat shipments from different countries last week are Mundra (526,000 tonne), Kandla (180,000 tonne), Chennai (51,000 tonne), Tutucorin (17,000 tonne) and Vizag (35,000 tonne).

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