

## OILSEED

22<sup>nd</sup> October, 2005

- NCDEX Soybean Futures Continues to Decline

### TECHNICAL ANALYSIS

#### COMMODITY: SOYBEAN

Perspective: Very Short Term

NCDEX November Contract

**Soybean seed November Contract** The contract opened low today and remained in a downtrend whole day. It finally ended low in today's trading session. Candle sticks are indicating prices to remain range bound, MACD, PROC, RSI and Stochastic are indicating a declining trend.

**Market advice:**

For the short term the sentiment is range bound.

**Advisable trade limits: (Support & Resistances)**

Contract	Supports	Resistances
November	1210.00	1223.00
	1207.00	1227.00

#### COMMODITY: RAPESEED

Perspective: Very Short Term

NCDEX November Contract

**Rapeseed seed November Contract** opened low today and finally settled up. It is likely to open to be firm tomorrow. Stochastic, and Candlesticks are indicating a trend reversal thus signalling a bullish trend.

**Market advice:**

For the short-term the outlook is bullish. Go for Long position.

**Advisable trade limits: (Support & Resistances)**

Contract	Supports	Resistances
November	344.00	345.50
	344.70	347.00



### DOMESTIC MARKET COMMENTAR

#### Soybean:

Soybean seeds traded low today at domestic spot markets. According to trade sources fresh arrivals of about 3,50,000 bags are reported in Madhya Pradesh and 1,50,000 bags in Maharashtra and of 3,00,000 bags in Maharashtra including 1,00,000 bags in Vidarbha and Marathawada regions. In Indore Soybean seed plant delivery quote was Rs.1190-1200 per quintal. In Kota Soybeans traded at Rs. 1190 - 1215 per qtl. In Dhulia it traded at Rs. 1180-85 per quintal. In Latur soybean seed changed hands at Rs. 1160 and in Amravati at Rs. 1150 per qtl. In India demand in physical market has reduced. In international markets like China and

US crop harvest is reported to be good. Another reason for less Soybean demand is the fear of Bird flu thus decreasing the demand for Soybeans. Supplies are very high and arrivals are increasing day by day. The crop condition is good and climate is reported to be favourable for harvesting.

In coming days Soybean prices are expected to be on a downtrend.

#### Rapeseed/Mustard:

Sowing of Mustard seed is in progress in almost all the mustard growing regions of India and weather is reported to be suitable for sowing. NAFED is offering at Rs.1580.

Buying from NAFED is continuing. In Neewai mustard seed traded at Rs. 1715. The demand for mustard seed is good. However pressure is from Soybean market as arrival of soybean is reported very high in Madhya Pradesh and Maharashtra. Mustard crop usually arrives in April, May and June months.

In the coming days the prices are expected to remain range bound.

#### Status of Price & Supply of the New Crop (Oct 22,05)

Markets	Prices (Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1760	10000-12000
Alwar(C)	1670-75	1000
Delhi(C)	1770	1500
Agra(C)	1830	-
Sri Ganganagar (NC)	1530-35	400- 500
Kota (NC)	1500-1540	1500

#### Vayda Quotes

##### Mustard futures as on 22<sup>nd</sup> October 2005

Cent re	Mo nth s	Prev. Settle	Open	High	Low	Cha nge	Close
Delhi	Nov	334.1	333.7	334.1	333.7	-0.4	333.7
Hapu r	Nov	354.7	354.25	354.5	354.2	-0.1	354.6
Bika ner	Dec	337.9	337.9	337.9	337.9	0.0	337.9
Hisar	Nov	325.9	325.3	325.4	325.3	-0.1	325.3

#### Groundnut

Groundnut seed at Rajkot continued to decline today also. It fell by Rs 5 at Rs.370 per 20 Kg as compared to Rs. 375 on the previous day. In Rajkot arrival of about 10000 bags of 35 Kgs each is reported and in Gujarat arrival of 150000 bags of fresh groundnut seeds are reported. In Neewai around 10,000 bags arrived and traded at the rate of Rs1500-1800 per quintal. Weather is reported to be favourable for harvesting and arrival is of groundnut is expected to be at its peak in the coming days. Harvesting in Andhra Pradesh is expected to start after Diwali. Demand for groundnut is reported to have declined. The export demand for groundnut seed is stable. Supply is increasing day-by-day and demand is declining therefore traders are expecting a fall in prices.

#### Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 kgs)	
	21.10.05	22.10.05
Gr Kernel	2610*	2600*
Bolds 60/70	2860*	2870*
*Javas 60/70	3075*	3075*
Javas 70/80	2950*	2950*
Javas 80/90	2915*	2915*

**\*Plus Tax / Against Form, X CST Paid, @ VAT Exempted**

#### CBOT

##### CBOT Soy Futures Settle Down

CBOT November Soybean future settled down 12.75 cent on Friday at \$ 5.7225 per bushel, 5.75 cent off the high and 1.25 up from the low and January soybean future settled down 13.5 cent at \$ 5.845 per bushel, 13.5 cent off the high and 1.5 up from the low. December Soymeal future settled down \$ 2.5 at \$ 169.4 per tonnes, \$ 0.9 up from the low and \$ 0.8 off the high. December Soybean Oil future closed down 0.5 cent at 23.48 cent per pound, 0.14 cent off the high and 0.13 cent up from the low. The soyoil prices are declining due to lower crude oil prices. There is direct relationship between soy oil and crude oil, if energy prices decline then demand for biodiesel moves downwards and vice versa. The demand of soybean from China has declined due to weak energy market. Another reason for decline of soy oil prices was a fall in palm oil prices in International markets. The energy market is the price driver of soybean. If China imports Soymeal from India and Argentina at a cheaper rate then China's crusher would be bound to sell their soymeal at a lower rate. This will bring negative impact on soybean import.

##### South American Soy Futures Settle Down

November South American soy future closed down 2.75 cents on Friday at \$ 6.5325 per bushel. Volume was in 49 contracts. The soybean market of China was down due to recent soymeal import from China. A recent reports is that China is going to import of soymeal from India is about 3 lakh tonnes and it is expected that more than 3 lakh tonnes from Argentina. This will bring negative impact on the crusher to buy soybean. Cheaper priced meal from India and Argentina could slow the China crushing pace, which would also slow the soybean import pace. The significant drop in poultry consumption due to widely spread of bird flue in Asia and Europe, it is bearish signal for meal prices. The beef, goat and pork processor could get benefit from the sharp declining the consumption of poultry meat. China booked Brazil soybean for April delivery.

##### CBOT Soybean futures as on October 21, 2005 (Cents/bushel)

Month s	Previous Settle	Open	High	Low	Change	Clos e
Nov 05	585	576.0	589.2	571.4	-12.8	572.2
Jan 05	598	590.0	601.6	583.4	-13.6	584.4

CBOT remains closed on Saturday & Sunday

#### Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.09
Malaysia	Ringgit	11.87
European Union	Euro	54.31
United Kingdom	GBP	79.66
Japan	100 Yen	38.83

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