

## OILSEED DAILY

AUGUST 23, 2006

### SOYBEAN

#### SPOT MARKETS

Soybean spot market traded with slight firm sentiments due to improved demand in the major mandis like Indore and Kota. However, in Maharashtra, it was offered at the previous day's level. The soybean area in India has gone up to the highest level at 79.53-lakh hectare in India. However, the total Kharif edible oil area is less by 10 lakh hectares due to shortfall in the groundnut area in the country. Some losses to the crop may be witnessed in the Madhya Pradesh, giving some impetus to the spot and futures market.

#### FUTURES MARKETS:

Soybean futures market exhibited bearish sentiments in the NCDEX futures market due to weakness in the demand. All the active contracts which were trading with slight bullish sentiments in the morning session, turned bearish till the closing of the market. However, the soybean remained firm at the CBOT. The market is very much volatile and witness movement on both sides during the day.

#### PRICE DRIVERS:

1. Improved spot market demand
2. Selling Interest in the futures market
3. Higher acreage under soybean
4. Some loss to the crop in the MP due to past rains.

#### WEATHER

Heavy to very heavy falls at a few places are likely over Orissa during next 24hours. Isolated heavy to very heavy is also likely over Gangetic West Bengal during the same period. Isolated heavy falls are likely over southwest Rajasthan during next one day.

#### TECHNICALS

Candlestick pattern exhibited bearish undertone in the September contract. Prices closed near the EMA. %K line touched the %D line in neutral region. DAV moved flat with the MACD in the negative region. RSI remained above its smooth average in the neutral region. Volume and open interest declined on Tuesday.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
September	1265	1260	1277.20	1288	1292

#### TRADE RECOMMENDATION: (Intraday)

Sell NCDEX September contract near 1279.0, T1-1269.0, and stop loss above 1284.0.

#### SPOT MARKET PRICES

Centers	Market	22.08.06	21.08.06	Change	Arrivals (Bags)
Indore	Plant	1255-1265	1243-1260	+5	30000
Indore	Mandi	1190-1225	1190-1210	+15	
Maharashtra	Plant	1300	1300	-	10000
Maharashtra	Mandi	1250-1270	1250-1270	-	
Kota	Plant	1235-1250	1235-1245	-5	5000
Kota	Mandi	1210-1220	1210-1215	+5	

## MUSTARD

### SPOT MARKETS

Mustard spot markets remained stable with bearish undertone due to slack demand in the major mandis at the Rajasthan. Prices hovered at lower levels at Jaipur, Alwar and Sri Ganga Nagar as supply exceeded the prevailing demand. At the Delhi, Agra and Kota, prices hovered in the previous day's range. Arrivals remained more or less same as was on yesterday. Nafed continues to sell its current stock at about Rs. 1525 per quintals in the market. Bearish trend is likely to continue in the coming days also due to comfortable supply position in the mustard seed market.

### FUTURES MARKETS:

Mustard traded with bearish sentiments at the NCDEX futures due to weak demand. Huge existing stocks in the spot market add to the bearish sentiments of the mustard futures. The most active September contract candlestick pattern exhibited the weak sentiments. All other contracts also traded with similar sentiments. Indicators suggest towards weakness in the futures market.

### PRICE DRIVERS:

1. Huge stock with the NAFED
2. More supply in the spot market as compared to the demand
3. Low demand in the Futures market

### WEATHER

Heavy to very heavy falls at a few places are likely over Orissa during next 24 hours. Isolated heavy to very heavy is also likely over Gangetic West Bengal during the same period. Isolated heavy falls are likely over southwest Rajasthan during next one day.

### TECHNICALS

September contract candlestick pattern exhibited bearish sentiments at NCDEX. Prices closed below the EMA. Which indicate weak market sentiments. %K line touched the % D line in the oversold region. DAV also remained below MACD in the negative territory. RSI ruled below its smooth average line in neutral region and moved downwards. Volume and open interest increased on Tuesday.



### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
September	346	345	350.05	352	353

### TRADE RECOMMENDATION:

**Sell** NCDEX September contract near 349.50, T1-347.50, and stop loss above 350.50.

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

Markets	22.08.06	21.08.06	Change	Arrivals (Bags)
Jaipur (C)	1720	1735-40	-20	4000
Alwar(C)	1650-60	1670-80	-20	1000-1500
Delhi(C)	1780	1780	-	400
Agra(C)/Katchi Ghani	1825/4200	1825/4250	-	-
Sri Ganganagar (NC)	1470	1500	-30	200-250
Kota (NC)	1540-60	1540-60	-	500

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET

Groundnut exhibited firm sentiment on increased demand. Groundnut seed in Rajkot was offered at Rs 397 per 20 kg and groundnut oil traded at Rs 550 per 10 kg. Arrival at Rajkot mandi remained in the range of 15000 in Gujarat Mandis.

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