

OILSEED DAILY

AUGUST 24, 2006

SOYBEAN

SPOT MARKETS

Spot soybean market remained slightly weak on poor demand in MP, Kota and Maharashtra. It was offered at lower prices at these places. Indore mandi remained closed due to *Amavasya*. The sown area estimates are quite enthusiastic from viewpoint of production, as they are up about 3 percent of the previous year figure. However, total soybean output is expected to go down by 3-5 percent due to water logging in soybean fields in some parts of Maharashtra and Madhya Pradesh due to past heavy rains. The soybean spot prices are expected to remain in its current price range.

FUTURES MARKETS:

Soybean futures at the NCDEX closed with positive sentiments due to speculative buying. However, all the active contracts traded equally in both directions. In morning session downward movement was observed which improved till noon due to firm sentiments on increased buying. The international market sentiments remained firm on good demand. The most active September contract hovered in the range of 1277-1285.

PRICE DRIVERS:

1. Weak demand in spot market
2. Slight improvement in futures market sentiments
3. Higher acreage under soybean
4. Rains causes some loss to crop in MP and MH

WEATHER

Heavy falls at a few places are likely over interior Orissa, Jharkhand, Chhattisgarh and East Madhya Pradesh during next 48 hours. Isolated heavy falls also likely over southwest Rajasthan and East Uttar Pradesh.

TECHNICALS

Candlestick pattern formed "spinning top" in the September contract indicating the state of indecision. EMA touched the upper shadow of the price candlestick. %K line moved parallel to the %D line in neutral region. DAV moved flat and parallel to the MACD in the negative region. RSI also moved close to its smooth average in the neutral region. Volume increased while and open interest declined on Wednesday. Technicals suggests towards slight stability in the futures market.



SUPPORT / RESISTANCES:

| Contract | S1 | S2 | PCP | R1 | R2 |
|-----------|------|------|--------|------|------|
| September | 1272 | 1268 | 1284.1 | 1292 | 1295 |

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX September contract near 1280.00, T1-1288.00, and stop loss below 1276.

SPOT MARKET PRICES

| Centers | Market | 23.08.06 | 22.08.06 | Change | Arrivals (Bags) |
|-------------|--------|-----------|-----------|--------|-----------------|
| Indore | Plant | 1240-1250 | 1255-1265 | -15 | - |
| Indore | Mandi | - | 1190-1225 | - | |
| Maharashtra | Plant | 1300 | 1300 | - | 10000 |
| Maharashtra | Mandi | 1240-1260 | 1250-1270 | -10 | |
| Kota | Plant | 1240-1245 | 1235-1250 | -5 | 5000 |
| Kota | Mandi | 1210-1225 | 1210-1220 | +5 | |

MUSTARD

SPOT MARKETS

Steady sentiments were observed at the mustard seed market as it was offered at the previous day's price range in most of the mandis in Rajasthan, Delhi and Agra due to normal demand by the millers. NAFED is also having enough stock to sale and stabilize the prices by releasing sufficient quantity in the market for sale. So far it has released about 7-lakh tons mustard from its stock, which it procured in Rabi last year. The market is expected to hover in its current price range with no much variation in either side.

FUTURES MARKETS:

At the NCDEX, mustard seed prices ended with firm sentiments owing to good demand. However, in the early hours of the trade, sentiments remained bearish, which later on turned bullish on speculative buying. Almost equal movement in both directions was observed in most of the contracts. The most active September contract traded between 348.15-352.00.

PRICE DRIVERS:

1. Sufficient stock with Nafed
2. Comfortable supply condition in the spot market

WEATHER

Heavy falls at a few places are likely over interior Orissa, Jharkhand, Chhattisgarh and East Madhya Pradesh during next 48 hours. Isolated heavy falls also likely over southwest Rajasthan and East Uttar Pradesh.

TECHNICALS

At the NCDEX, in September contract candlestick, a long lower shadow indicates that the Bears controlled the ball for part of the game, but lost control by the end and the Bulls made an impressive comeback. Prices closed below the EMA. %K line moved parallel to the % D line in the oversold region. DAV ruled below MACD in the negative territory. RSI touched its smooth average line in neutral region. Volume increased while open interest slightly declined on Wednesday. Technicals indicate towards steady sentiments.



SUPPORT / RESISTANCES:

| Contract | S1 | S2 | PCP | R1 | R2 |
|-----------|-----|-----|--------|-----|-----|
| September | 347 | 346 | 351.95 | 355 | 356 |

TRADE RECOMMENDATION:

Buy NCDEX September contract near 350.00, T1-353.00, and stop loss below 348.50.

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

| Markets | 23.08.06 | 22.08.06 | Change | Arrivals (Bags) |
|----------------------|-----------|-----------|--------|-----------------|
| Jaipur (C) | 1720 | 1720 | - | 4000 |
| Alwar(C) | 1640-50 | 1650-60 | -10 | 1000 |
| Delhi(C) | 1785 | 1780 | +5 | 800 |
| Agra(C)/Katchi Ghani | 1825/4150 | 1825/4200 | - | - |
| Sri Ganganagar (NC) | 1470 | 1470 | - | 250-300 |
| Kota (NC) | 1540-60 | 1540-60 | - | 500 |

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Groundnut exhibited steady sentiments on increased demand. Groundnut seed in Rajkot was offered at Rs 397 per 20 kg and groundnut oil traded at Rs 546 per 10 kg. Mandi remained closed due to *Amavasya*.

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