

OILSEED DAILY

AUGUST 31, 2006

SOYBEAN

SPOT MARKETS

The soybean spot market traded with slight bearish undertone on increased arrival in the major mandi of Indore, Maharashtra and Kota amidst normal demand. Soybean demand from plants is likely to increase in few days on increase in vegetable oil festive demand. The prices are expected to hover in its current price range.

FUTURES MARKETS:

Soybean futures on NCDEX exhibited improved sentiments in most of the active contracts on speculative buying. The soybean seed got support from the Soy oil futures, which also traded with firm sentiments in the expectation of enhanced festive demand in the coming days. The most active September contract hovered in the range of 1282-1286 on Wednesday.

PRICE DRIVERS:

1. Increased Supply in the spot market
2. No intension to hike in base import prices of edible oils by the Government
3. Higher acreage under soybean
4. Improved weather condition in US
5. Likely increase in demand for the upcoming festive season.

WEATHER

Heavy to very heavy falls are likely at a few places over Orissa during next one day. Isolated heavy to very heavy falls are also likely over West Bengal & Sikkim, Chhattisgarh, Jharkhand, Bihar, East Uttar Pradesh and north Coastal Andhra Pradesh during the same period.

TECHNICALS

In September contract on NCDEX, the candlestick pattern exhibited bullish sentiments. MACD looks approaching towards positive territory, giving some bullish signal. However, price closed below the 9-days and 18-days EMA, underlying slight weakness. The stockiest remained in neutral zone but exhibiting slight bearish pattern. Volume declined while open interest slightly improved on Wednesday. Prices may witness upward movement on Thursday.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
September	1280	1277	1284	1292	1295

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX September contract near 1285, T1-1291, and stop loss below 1282.

SPOT MARKET PRICES

Centers	Market	30.08.06	29.08.06	Change	Arrivals (Bags)
Indore	Plant	1260-70	1270-75	-5	35000
Indore	Mandi	1210-25	1210-30	-5	
Maharashtra	Plant	1315	1315	-	10000-15000
Maharashtra	Mandi	1260-80	1260-80	-	
Kota	Plant	1225-30	1235-40	-10	6000
Kota	Mandi	1210-15	1210-15	-	

MUSTARD

SPOT MARKETS

Mustard seed exhibited bearish trade at Jaipur and Agra where it was offered at lower prices on subdued demand. At Alwar, Delhi, Sri Ganganagar and Kota, prices hovered in the previous day's price range. Arrivals increased at Alwar and Sri Ganganagar though it did not last much impact on prices due to normal demand. The recent rains in the Rajasthan have helped in conserving the moisture level in the soil, which in turn will benefit the rabi mustard crop. The NAFED as well as stockiest continues to offload their existing stock. The prices are expected to hover in its current range with no major deviation.

FUTURES MARKETS:

On NCDEX, mustard seed futures exhibited strong bullish sentiments on increased buying. The futures prices remained affected by the positive soybean and soyoil futures sentiments. The most active September contracts traded between 346-347.95 on Wednesday. The futures prices are expected to trade firm in the coming days.

PRICE DRIVERS:

1. Weak spot market demand
2. Ample supply in the spot market
3. Speculative buying in futures market
4. No intension to hike in base import prices of edible oils by the Government.
5. Likely increase in upcoming festive demand

WEATHER

Heavy to very heavy falls are likely at a few places over Orissa during next one day. Isolated heavy to very heavy falls are also likely over West Bengal & Sikkim, Chhattisgarh, Jharkhand, Bihar, East Uttar Pradesh and north Coastal Andhra Pradesh during the same period.

TECHNICALS

On NCDEX, in September contract candlestick formation exhibited strong bullish sentiments. Prices closed below the 9-days and 18-days EMA. Stochastic remained in neutral region, exhibiting slight bearish undertone. MACD remained flat in negative region indicating towards some stability. Volume and open interest declined on Wednesday. Candlestick formation is hinting towards firm opening on Thursday.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
September	345	343	347.9	352	353

TRADE RECOMMENDATION:

Buy NCDEX September contract near 348.00, T1-350.00, and stop loss below 347.00.

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

Markets	30.08.06	29.08.06	Change	Arrivals (Bags)
Jaipur (C)	1730-35	1740-45	-10	3500
Alwar(C)	1635-40	1635-40	-	1000
Delhi(C)	1785-1790	1785-1790	-	400
Agra(C)/Katchi Ghani	1830/4150	1850/4175	-20	-
Sri Ganganagar (NC)	1470	1470	-	300
Kota (NC)	1540-60	1540-60	-	500

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Groundnut seed market improved on increased demand in Gujarat. Groundnut seed in Rajkot hovered near Rs 395 per 20 kg and groundnut oil traded at Rs 540 per 10 kg. Arrivals at the Rajkot mandi remained at 15000 bags.

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