

OILSEED DAILY

AUGUST 26, 2006

SOYBEAN

SPOT MARKETS

Soybean traded with mixed sentiments in the spot market. In the Indore mandi plant prices remained slightly higher while mandi prices traded low due to slight weakness in demand. In Maharashtra, due to increased demand, the mandi prices witnessed upward movement while plant prices remained at the previous levels. In Kota, the plant prices remained low due to weak demand. The arrival at the Indore mandi increased while at other places it remained at the yesterday's level. The spot prices are likely to remain stable with slight bullish undertone.

FUTURES MARKETS:

Soybean futures at the NCDEX traded with slight bearish undertone due to speculative selling. The soybean prices also remain affected by the soy oil futures bearish sentiments. The most active September contract hovered in the range of 1292-1298 on Friday. Indicators hints towards steady sentiments in soybean futures.

PRICE DRIVERS:

1. Increased demand in the spot market
2. Speculative selling in the futures market
3. Higher acreage under soybean
4. Reports of some loss to the soybean crop in MH and MP

WEATHER

Increased rainfall activity over Orissa, Jharkhand, Chhattisgarh, East Madhya Pradesh and Bihar. Moderate rainfall activity likely to continue over Indo-Gangetic plains.

TECHNICALS

Candlestick pattern exhibits slight bearish pattern in the September contract. EMA touched the price candlestick from below. %K line moved upward after making a bullish cross over to the %D line in neutral region. DAV also moved upward to the MACD in the negative region. RSI also remained above to its smooth average in the neutral region. Volume significantly declined while open interest slightly declined on Friday. Technicals suggest towards stable sentiments.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
September	1285	1280	1294	1299	1305

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX September contract near 1292, T1-1296, and stop loss below 1290.

SPOT MARKET PRICES

Centers	Market	25.08.06	24.08.06	Change	Arrivals (Bags)
Indore	Plant	1250-1270	1240-1265	+5	30000
Indore	Mandi	1190-1210	1195-1225	-15	
Maharashtra	Plant	1310	1310	-	10000-12000
Maharashtra	Mandi	1260-1280	1240-1260	+20	
Kota	Plant	1240-1245	1230-1255	-10	5000
Kota	Mandi	1210-1225	1210-1225	-	

MUSTARD

SPOT MARKETS

Mustard spot market experienced slight weakness in most of the major mandis due to subdued demand. In Alwar, Agra and Sriganaga Nagar it was offered at lower prices owing to higher supply levels. At Kota and Jaipur prices remained at the previous day's level. With the ongoing offloading by the NAFED, the prices are not likely to witness any major change from the current levels.

FUTURES MARKETS:

At the NCDEX, lacklustre trade was observed as prices hovered in a very narrow range with a slight bearish undertone. The international market sentiments and the comfortable domestic supply scenario affected the mustard seed futures sentiments. The most active September contract traded between 350.70-351.70 on Friday.

PRICE DRIVERS:

1. Continued selling by the NAFED
2. Slightly weak spot market demand
3. Comfortable supply condition in the spot market

WEATHER

Increased rainfall activity over Orissa, Jharkhand, Chhattisgarh, East Madhya Pradesh and Bihar. Moderate rainfall activity likely to continue over Indo-Gangetic plains.

TECHNICALS

At the NCDEX, in September contract candlestick pattern exhibited bearish sentiments. Prices closed below the EMA. %K line moved upward after making a bullish crossover to the % D line in the oversold region. DAV touched the MACD in the negative territory. RSI ruled above its smooth average line in neutral region. Volume increased while open interest declined on Friday. Technicals indicate towards weak sentiments.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
September	348	346	350.75	353.5	355.5

TRADE RECOMMENDATION:

Sell NCDEX September contract near 351.5, T1-349.5, and stop loss above 352.5.

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

Markets	25.08.06	24.08.06	Change	Arrivals (Bags)
Jaipur (C)	1735	1735	-	4000
Alwar(C)	1640-45	1650-60	-15	700-800
Delhi(C)	1805	1790-95	+10	600-700
Agra(C)/Katchi Ghani	1820/4125	1825/4150	-5	-
Sri Ganganagar (NC)	1465-70	1475	-5	200-250
Kota (NC)	1540-60	1540-60	-	500

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Groundnut seed market traded steady on stable demand. Groundnut seed in Rajkot was offered at Rs 396 per 20 kg and groundnut oil traded at Rs 545 per 10 kg. Arrival remained about 15000 bags at the Rajkot mandi.

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