

OILSEED DAILY

AUGUST 19, 2006

SOYBEAN

SPOT MARKETS

Mixed sentiments were observed in the soybean spot market. At the Indore mandi it hovered around the previous day's level as rain disrupted the trade. In Maharashtra it was offered at lower prices due to reduced demand. However, at Kota mandi in Rajasthan, it was offered at much higher price due to increased demand. The spot market is likely to exhibit the same trend in the coming days.

FUTURES MARKETS:

The soybean futures traded with mixed sentiments as in the morning session, all the active contracts exhibited bearish trend due to some rumors that government is again going to reduce import duty but later on it recovered back and closed at higher levels than the previous day's close price. High volatility was seen in the August contract due to the settlement day today. The futures market may remain volatile with a slight bullish undertone tomorrow.

PRICE DRIVERS:

1. Improved spot market demand
2. Less damage to the soybean crop from the recent rainfall in MH and MP
3. Speculative buying in Soybean futures

Weather

Fairly widespread to widespread with isolated heavy rainfall over Gujarat, southeast Rajasthan, Marathwara and Madhya Maharashtra and during next 24Hrs. and reduce thereafter. West Rajasthan may experience isolated to scattered rains in next 2 days.

TECHNICALS

Candlestick pattern exhibited formation of Spinning Top formation in the September contract indicating the state of indecision and possible trend reversal. EMA crossed the price bar at upper shadow of the body. %K line ruled above the %D line in neutral region and moved away from it. DAV moved parallel to the MACD in the negative region. RSI also moved parallel to its smooth average in the neutral region. Volume increased while open interest declined on Friday.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
September	1272	1270	1284.1	1295	1298

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX September contract near 1281, T1-1291, and stop loss below 1276.

SPOT MARKET PRICES

Centers	Market	18.08.06	17.08.06	Change	Arrivals (Bags)
Indore	Plant	1250	1250	-	10000-12000
Indore	Mandi	1200-1220	1210	+5	
Maharashtra	Plant	1310	1310	-	10000-15000
Maharashtra	Mandi	1240-1260	1240-1270	-10	
Kota	Plant	1250-1270	1240-1245	+25	25000-5000
Kota	Mandi	1210-20	1200-1210	+10	

MUSTARD

SPOT MARKETS

Spot market witnessed improved spot demand at all the major trading centers like Alwar, Agra, Sri Ganga Nagar and Kota. The arrival remained restricted at Kota mandi, consequently better prices realized. The spot market is likely to observe steady trend.

FUTURES MARKETS:

Mustard futures at the NCDEX exhibited volatile trade. The most active September contract traded deep in both directions and settled near its opening level. The technical indicators suggests towards weak sentiments in the market.

PRICE DRIVERS:

1. Speculative trading in the Futures market
2. Improved demand in the spot market
3. Government rolled back increased tariff value on Palm Oil group and Soy Oil group, which was earlier notified on 14th August 2006

Weather

Fairly widespread to widespread with isolated heavy rainfall over Gujarat, southeast Rajasthan, Marathwara and Madhya Maharashtra and during next 24Hrs. and reduce thereafter. West Rajasthan may experience isolated to scattered rains in next 2-days.

TECHNICALS

September contract candlestick pattern exhibited doji pattern at NCDEX. EMA ruled far above the price line indicating the bearish trend. %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 Volume and open interest declined on Friday.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
September	350	349	353.65	357	358

TRADE RECOMMENDATION:

Sell NCDEX September contract near 354.5, T1-352.5, and stop loss above 355.50.

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

Markets	18.08.06	17.08.06	Change	Arrivals (Bags)
Jaipur (C)	1735-40	1735-40	-	4000
Alwar(C)	1650	1640	+10	1000
Delhi(C)	1780	1775	+5	400
Agra(C)/Katchi Ghani	1835/4250	1830/4250	+5	-
Sri Ganganagar (NC)	1510	1500	+10	200-250
Kota (NC)	1560-80	1540-60	+20	500

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Rajkot mandi remained closed due to ongoing Krishna Janmastmi festival. So trade did not happen at this mandi. Mandis will open on Mandy.

Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kg)	
	18.08.06	17.08.06
Gr Kernel	2675*	2675*
Bolds 60/70	3250*	3250*
Javas 60/70	3300*	3300*
Javas 70/80	3225*	3225*
Javas 80/90	3150*	3150*

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

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