

OILSEED DAILY

AUGUST 30, 2006

SOYBEAN

SPOT MARKETS

Sentiments remained firm in soybean spot market at Indore mandi where it was offered at higher prices due to improvement in demand. In Maharashtra also, prices remained stable, while in Kota plant prices remained low as compared to previous day. Arrivals at all the places were recorded higher on Tuesday. With the improvement in weather, the production prospects have become better.

FUTURES MARKETS:

Soybean futures at the NCDEX traded with bullish sentiments in the early hours of the trade but due to weak demand and intense selling pressure, bears remained active till the end of the day. There were talks in the market that India may not increase base import prices of edible oils. International markets also traded with weak sentiments due to better production prospects on improved weather forecast. The most active September contract hovered in the range of 1279.50-1290.00 on Tuesday.

PRICE DRIVERS:

1. Slight improvement in the spot demand
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

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

Candlestick pattern exhibits bearish sentiments in the September contract. EMA crossed the upper shadow of price candlestick indicating weak sentiments. The %K line is moving down after making a bearish cut to the %D line in neutral region. MACD moved flat in the negative territory. Volume declined while open interest slightly increased on Tuesday.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
September	1275	1273	1287	1292	1295

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX September contract near 1286 T1-1278, and stop loss above 1290.

SPOT MARKET PRICES

Centers	Market	29.08.06	28.08.06	Change	Arrivals (Bags)
Indore	Plant	1270-75	1250-65	+10	25000-30000
Indore	Mandi	1210-30	1190-1210	+20	
Maharashtra	Plant	1315	1310-1315	-	10000
Maharashtra	Mandi	1260-80	1260-80	-	
Kota	Plant	1235-40	1240-50	-10	5000
Kota	Mandi	1210-15	1200-15	-	

MUSTARD

SPOT MARKETS

Mustard seed market exhibited mixed sentiments, as prices remained slightly higher at Jaipur and Agra due to marginally improved demand. While at the Delhi, Alwar and Sri Ganganagar prices remained subdued on lower demand. Arrivals remained more or less same as were reported previous trading day.

FUTURES MARKETS:

At the NCDEX, mustard seed contracts exhibited strong bearish sentiments on speculative selling. The news that government has no intension to increase the base import prices of edible oils made the market bearish. Further, the mustard seeds futures mostly and closely follow the soyoil futures, which also traded with bearish sentiments. The most active September contracts traded between 345.10-350.50 on Tuesday.

PRICE DRIVERS:

1. Weak spot demand at most of the places
2. Ample supply in the spot market
3. More selling interest in the futures market
4. No intension to hike in base import prices of edible oils by the Government.

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

At the NCDEX, in September contract candlestick pattern exhibited strong bearish sentiments. Prices closed below the 9-days and 18-days EMA. Stochastic is in neutral region. MACD is curving down in negative region. Volume significantly increased while open interest slightly declined on Tuesday. Technicals hints towards weak market sentiments.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
September	344	343	346.1	350.5	351.5

TRADE RECOMMENDATION:

Sell NCDEX September contract near 348.00, T1-345.00, and stop loss above 349.50.

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

Markets	29.08.06	28.08.06	Change	Arrivals (Bags)
Jaipur (C)	1740-45	1735	+10	3500
Alwar(C)	1635-40	1640-50	-10	500
Delhi(C)	1785-1790	1805-1810	-20	500-600
Agra(C)/Katchi Ghani	1850/4175	1825/4125	+25	
Sri Ganganagar (NC)	1470	1480	-10	200
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 542 per 10 kg. Rajkot mandi remained closed on Tuesday.

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