

OILSEED DAILY

AUGUST 18, 2006

SOYBEAN

SPOT MARKETS

Soybean spot markets at the major mandis at MP, Maharashtra and Rajasthan exhibited weak sentiments due to low demand. Other factors such as reports of less than expected damage to the soybean crop in Maharashtra and MP due to past rainfall, higher acreage under soybean and better crop prospects blurred the traders' expectation of getting benefit of the current confusing market situation. The market is expected to remain in the current stage in the coming days.

FUTURES MARKETS:

The soybean futures market exhibited bearish sentiments on speculative selling. All the active contracts traded at far below level of their previous close. The soy refined futures sentiments also adversely affected the soybean sentiments. Further, the weather conditions are improving in the US boosting the better crop harvest prospects. In India, the estimated loss due to rain is also less than expected. Also, rolling back of the increased tariff is also giving bearish undertone to the soybean market. In fact, soybean futures sharply reacts to the International and national changes in the soyoil futures. The same sentiments are expected in the coming days also.

PRICE DRIVERS:

1. Weak demand in the spot market
2. Less than expected damage to the soybean crop from the recent rainfall in MH and MP
3. Profit booking at the futures market
4. 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 2-3 days.

TECHNICALS

Candlestick pattern exhibited strong bearish sentiments in the September contract. EMA crossed the price bar from mid of the body. %K line ruled above the %D line in neutral region. DAV ruled below the MACD in the negative region. RSI also touched its smooth average in the neutral region. Volume increased while open interest declined on Thursday. Indicators suggest slight volatility in the market.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
September	1270	1265	1283	1302	1305

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX September contract near 1288, T1-1272, and stop loss above 1296.

SPOT MARKET PRICES

Centers	Market	17.08.06	16.08.06	Change	Arrivals (Bags)
Indore	Plant	1250	1245-1265	-15	25000
Indore	Mandi	1210	1190-1220	-10	
Maharashtra	Plant	1310	1310-1315	-5	15000
Maharashtra	Mandi	1240-1270	1250-1270	-	
Kota	Plant	1240-1245	1250-1260	-15	2000
Kota	Mandi	1200-1210	1200-1220	-10	

MUSTARD

SPOT MARKETS

Mustard spot market traded with weak sentiments at major mandis at the Jaipur, Alwar, Agra, Sri Ganga Nagar and Kota due to subdued demand. It was offered at lower prices at these places. NAFED is selling the mustard seed at the competitive rates. The recent rainfall in the Gujarat also added to the weak sentiments of the mustard seed market. The current trend is expected to continue in the coming days as well.

FUTURES MARKETS:

Mustard futures also exhibited bearish sentiments at the NCDEX on Thursday due to speculative selling. The weak sentiments in the soy market also added to this bearish undertone. The futures are expected to continue this trend in the coming days also because of the overall bearish sentiments of the futures market. It hovered between 353.10-356.95. The futures is likely to hover in a range bound pattern with a slight bearish undertone.

PRICE DRIVERS:

1. Speculative selling in the Futures market
2. Low 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 2-3 days.

TECHNICALS

September contract candlestick pattern exhibited bearish sentiments at NCDEX. EMA ruled far above the price line indicating the bearish trend. %K line ruled below 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 increased on Thursday.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
September	348	347	353.4	355	356

TRADE RECOMMENDATION:

Sell NCDEX September contract near 352.5, T1-349.5, and stop loss above 354.00.

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

Markets	17.08.06	16.08.06	Change	Arrivals (Bags)
Jaipur (C)	1735-40	1745	-5	4000
Alwar(C)	1640	1640	-	1000
Delhi(C)	1775	1770	+5	400
Agra(C)/Katchi Ghani	1830/4250	1830/4250	-	-
Sri Ganganagar (NC)	1500	1535-40	-40	200
Kota (NC)	1540-60	1530-1570	-10	1000

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.

Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kg)	
	17.08.06	16.08.06
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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