

OILSEED DAILY

SEPTEMBER 02, 2006

SOYBEAN

SPOT MARKETS

Soybean spot market exhibited steady sentiments, as prices remained firm in MP, Rajasthan and Maharashtra mandis due to increased demand and restricted arrival. The production loss has been estimated about 7% due to past rains in the MP and MH. The increased festive demand, possibility of delayed harvesting and deleting stocks by that time may give substantial support to the soybean prices in the coming days.

FUTURES MARKETS:

All soybean futures on the NCDEX traded with bullish sentiments on increased buying due to reports of considerable loss to crop due to rain and pest infestation in some areas of MP and MH. Soy oil futures also favored the bullish sentiments in soy seed. Further, the festive demand will start emanating in few days and traders can expect the prices to remain firm in near futures. The most active September contract hovered in the range of 1283-1294 on Friday.

PRICE DRIVERS:

1. Improved demand in spot market
2. Considerable loss to the crop due to rain
3. Upcoming festival demand
4. Good buying support in futures market

WEATHER

Rainfall is likely over the soybean growing area. The heavy rains may be of some concerns as the crop has already become vulnerable to the pest attack these days.

TECHNICALS

In September contract on the NCDEX, candlestick formation exhibited strong bullish sentiments as prices opened above the yesterday's close level and maintained upward trend. MACD hovered in negative region but continued its upward journey indicating firm sentiments. Price closed between the 9-days and 18-days EMA. The stockiest remained in neutral region but suggesting slight weakness. Volume significantly increased while open interest remained almost on the previous day's level on Friday. Technicals suggests steady to firm sentiments.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
September	1279	1272	1287.9	1299	1303

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX September contract near 1288, T1-1296, and stop loss below 1284.

SPOT MARKET PRICES

Centers	Market	01.09.06	31.08.06	Change	Arrivals (Bags)
Indore	Plant	1260-75	1260-75	-	25000
Indore	Mandi	1210-30	1210-25	+5	
Maharashtra	Plant	1320	1320	-	10000-12000
Maharashtra	Mandi	1270-90	1270-90	-	
Kota	Plant	1230-40	1240-45	-5	3000
Kota	Mandi	1210-20	1210-15	+5	

MUSTARD

SPOT MARKETS

Mustard seed markets traded with firm sentiments on increased demand in major mandis of Rajasthan, Delhi and Agra. With the news of considerable loss to the soybean crop due to rain, the mustard prices have picked up some momentum. The festive demand is likely to emerge and traders can expect stability in mustard prices. But the price movement will largely depend on the market supply behavior by the NAFED, which continues to offload decent amount of mustard seed in the market.

FUTURES MARKETS:

On the NCDEX, mustard seed futures exhibited improved sentiments. All active futures contracts traded with bullish sentiments on increased buying. The sentiments also remained affected by the encouraging movement of Oil-complex futures. The most active September contracts traded between 347-349 on Friday.

PRICE DRIVERS:

1. Improved spot market demand
2. Ample supply in the spot market
3. Increased demand in futures market
4. Upcoming festival demand

WEATHER

Mustard, being a Rabi crop, the weather is no more a concern these days. Rather, the past heavy rains have improved the soil moisture content, which in turn would benefit the crop in the next season. However, arrivals at some places have adversely affected due to heavy rains in parts of Rajasthan.

TECHNICALS

On NCDEX, in September contract candlestick formation exhibits firm sentiments, as bulls remained active throughout the day. However, prices closed below the 9-days and 18-days EMA. Stochastic ruled in the neutral region exhibiting bullish sentiments. MACD remained flat in negative region suggesting stability in the prices. Volume and open interest declined on Friday. Prices are expected to behave steadily with slight improved sentiments.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
September	346	345	347.6	350.2	351.5

TRADE RECOMMENDATION:

Buy NCDEX September contract near 347.80, T1-349.80, and stop loss below 346.80.

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

Markets	01.09.06	31.08.06	Change	Arrivals (Bags)
Jaipur (C)	1735-40	1735-40	-	4000
Alwar(C)	1650-60	1640	+20	500-700
Delhi(C)	1785	1780-85	-	300-400
Agra(C)/Katchi Ghani	1850/4200	1840/4150	+10	-
Sri Ganganagar (NC)	1485-90	1470	+20	-
Kota (NC)	1570-90	1560-80	+10	500

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Groundnut seed market remained steady in Gujarat on normal demand. Groundnut seed in Rajkot hovered near Rs 390 per 20 kg and groundnut oil traded at Rs 540 per 10 kg. The oil prices are slightly higher than yesterday's price. Arrivals at the Rajkot mandi remained at 15000 bags.

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