

OILSEED DAILY

SEPTEMBER 26, 2006

SOYBEAN

SPOT MARKETS

Soybean markets continue to witness weaker prices. Bearish sentiments in global soybean market spilled over to the domestic markets too. U.S. soybean crop is in a healthy condition and is on the verge of harvest. So, a big crop is waiting to flood the global market in the coming days. Further the harvesting of domestic soybean crop has started in some patches of Maharashtra, which is also adding some bearish sentiments to the market. Weakness in other oils and oilseeds keep the trade in a narrow range. So, all in all there is no respite for the soybean markets at the stage. The only hope for it remains on the forthcoming festive season, which might push the oil prices to lend some support to the seed market.

FUTURES MARKETS:

Soybean futures on the NCDEX took a long dip today in conjunction with the soyoil futures. October soybean opened the session gap down at Rs 1246.05, the highest level for the session. The several bouts of selling took the prices to the lows of Rs 1227. The futures finally closed the session with some huge losses at Rs 1230 per quintal. A good volume of 9570 MTs supported this sharp correction.

PRICE DRIVERS:

1. Bearish sentiments in global markets
2. Weakness in oil prices
3. Fresh crop knocking the market doors
4. Speculative selling in the futures market

WEATHER

Weather is normal in most of the soybean growing areas in MP and MH. However, some parts may receive scattered rains.

TECHNICALS

Soybean charts are showing that the bears dominate the market at the moment. In the same line candlesticks have formed a big opening Marubozu pattern. Price closed far below the 9-day and 18-day EMA showing weakness in the market sentiments. Stochastics and MACD are both favoring bears at the stage. Market appears to show tentativeness at lower levels, however bearish inclination is obvious.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
October	1220	1212	1230	1243	1252

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX October contract below 1227, T1-1221, T2-1215 and stop loss at 1231.

SPOT MARKET PRICES

Centers	Market	25.09.06	23.09.06	Change	New Arrivals (Bags)
Indore	Plant	1250-1260	1240-1260	-	500
Indore	Mandi	1000-1150	1180-1210	-	
Maharashtra	Plant	1280-1340	1300	-	
Maharashtra	Mandi	1200	1230-1250	-	
Kota	Plant	1250-1260	1190-1210	-	
Kota	Mandi	1190-1200	Closed	-	

MUSTARD

SPOT MARKETS

The mustard seed spot market continue to witness the weakness in the prices in major centers on lack luster demand and weakness in mustard oil prices. Heavy stock position with NAFED remains the main concern, which pressurizing the market down. Selling prices of NAFED will be crucial for the market as a guiding force. Continued weakness in the oil markets is also concerning for the mustard seed markets. Mustard market seems to be weak to steady for the coming days with no major change from the current range.

FUTURES MARKETS:

Mustard seed futures at NCDEX witness a sharp correction today as continued weakness in the global and domestic oil prices spilled over in the seed prices too. Mustard seed for October delivery at NCDEX opened today gap down at Rs 348.05 and the same remained the highest price for the day. The heavy selling pressure took the prices to close at day's of Rs 345. Bearish sentiments in the oil markets spilled over in the mustard seed futures today. Market is expected to remain on the weaker side in the forthcoming session.

PRICE DRIVERS:

1. Weakness in the global and domestic oil prices.
2. Upcoming festive demand
3. Speculative selling in the futures market.
4. Lower Oilseeds production estimates

WEATHER

Mustard, being a rabi crop, weather is not a concern for it at the stage.

TECHNICALS

Mustard charts are showing weakness in the market. A big Marubozu candle has formed today showing the dominance of bears in the market. EMA patterns, momentum studies and oscillators are all favoring bears at the stage. The contract is at fresh lows and some tentativeness at lower levels can be seen.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
October	341.9	343.0	345.0	351.0	352.6

TRADE RECOMMENDATION:

Sell NCDEX October contract below 344.50, T1-343.0 and then 342.0 stop loss at 345.5

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

Markets	25.09.06	23.09.06	Change	Arrivals (Bags)
Jaipur (C)	1725	Closed	-	1500
Alwar(C)	1630-35	1650-60	-	700-800
Delhi(C)	1780	1770	-10	700
Agra(C)/Katchi Ghani	1825/4125	1825/4125	-	-
Sri Ganganagar (NC)	1460	1470-80	-10	200
Kota (NC)	1520-50	Closed	-	1000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

No fresh developments seen in the Groundnut markets and the prices remained steady in Gujarat. Groundnut seed in Rajkot hovered near Rs 380-85 per 20 kg and groundnut oil traded at Rs 535 per 10 kg. Arrivals at the Rajkot mandi remained at 25000 bags. Export demand for seeds are supporting the higher prices in conjunction with the festive season demand. The prices are expected to witness slightly firm trend in near future.

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