

## OILSEED DAILY

SEPTEMBER 25, 2006

### SOYBEAN

#### SPOT MARKETS

Lack luster trade could be witnessed for soybean seeds at different centers as market is lacking any direction. Harvesting is reported from few region of Maharashtra following arrivals into the market but not fetching premium prices amid high moisture condition. Weakness in other oils and oilseeds keep the trade in a narrow range. The prices of soybean seed expected to trade on the lower side on huge arrivals from November onwards. It will take some more time for the exact figure of any crop damage. The spot prices are expected to hover in its current range with slightly improved sentiments in near terms on approaching festivals.

#### FUTURES MARKETS:

Soybean futures on the NCDEX exhibited slightly bullish sentiments owing to speculative buying. Most of the futures contracts settled above their open price level. The market seems to remain firm in coming days. The most active October contract hovered in the range of 1256.05-1263 on Friday.

#### PRICE DRIVERS:

1. Improved spot demand
2. Festive demand picks up
3. Speculative buying 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 short-term weakness in the market. Price closed below the 9-day and 18-day EMA showing weakness in the market sentiments. Stochastic are giving bearish signal in overbought region. However, MACD is showing decrease in bearish momentum. Market appears to remain volatile with bearish bias.



#### SUPPORT / RESISTANCES:

| Contract | S1     | S2     | PCP    | R1   | R2   |
|----------|--------|--------|--------|------|------|
| October  | 1236.3 | 1242.6 | 1251.7 | 1261 | 1266 |

#### TRADE RECOMMENDATION: (Intraday)

Sell NCDEX October contract below 1255, T1-1247, T2-1243.3 and stop loss below 1260.

#### SPOT MARKET PRICES

| Centers     | Market | 23.09.06  | 22.09.06  | Change | Arrivals (Bags) |
|-------------|--------|-----------|-----------|--------|-----------------|
| Indore      | Plant  | 1240-1260 | 1240-1260 | -      | 1600-1700       |
| Indore      | Mandi  | 1180-1210 | 1190-1230 | -10    |                 |
| Maharashtra | Plant  | 1300      | 1290      | +10    | 8000-10000      |
| Maharashtra | Mandi  | 1230-1250 | 1230-60   | -      |                 |
| Kota        | Plant  | 1190-1210 | 1200-1210 | -10    | 4000-6000       |
| Kota        | Mandi  | Closed    | 1175-1200 | -      |                 |

## MUSTARD

### SPOT MARKETS

The mustard seed spot market decline sharply in major centers on low demand compared to Friday and weakness in mustard oil prices. Heavy stock position with NAFED remains the main concern, which pressurizing the market down. Stale selling prices further added to its bearish undertone. Mustard market seems to be weak to steady for the coming days with no major change from the current range.

### FUTURES MARKETS:

On the NCDEX, mustard seed futures contracts opened weak and traded with bearish sentiments. Speculative selling keep pressurizing the market down on low demand and high inventories position and the prices hovered between 348.50-350.95 on Saturday. Market is expected to remain steady to weak in the coming days.

### PRICE DRIVERS:

1. Steady physical demand
2. Upcoming festive demand
3. Buying support in futures market
4. Lower Oilseeds production estimates

### WEATHER

Mustard, being a rabi crop is not in existence in its growing areas. So weather is no more a concern for this crop.

### TECHNICALS

Mustard charts are showing weakness in the market. EMA patterns, momentum studies and oscillators are all favoring bears at the stage. However, bearish momentum has decreased a bit according to MACD. Market is likely to trade with negative inclination.



### SUPPORT / RESISTANCES:

| Contract | S1    | S2    | PCP   | R1    | R2    |
|----------|-------|-------|-------|-------|-------|
| October  | 346.5 | 347.6 | 346.5 | 351.0 | 352.6 |

### TRADE RECOMMENDATION:

**Sell** NCDEX October contract below 349.50, T1-347.70 and stop loss below 350.70

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

| Markets              | 23.09.06  | 22.09.06  | Change | Arrivals (Bags) |
|----------------------|-----------|-----------|--------|-----------------|
| Jaipur (C)           | Closed    | 1725-30   | -      | -               |
| Alwar(C)             | 1650-60   | 1650-60   | -      | 800-900         |
| Delhi(C)             | 1770      | 1780      | -10    | 500             |
| Agra(C)/Katchi Ghani | 1825/4125 | 1850/4150 | -25    | -               |
| Sri Ganganagar (NC)  | 1470-80   | 1490      | -20    | 150             |
| Kota (NC)            | Closed    | 1540-70   | -      | -               |

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET

Standstill condition persists into the Groundnut market and traded with steady to firm sentiments in Gujarat on improved demand. Groundnut seed in Rajkot hovered near Rs 385 per 20 kg and groundnut oil traded at Rs 535 per 10 kg. Arrivals at the Rajkot mandi remained at 25000 bags. The prices are expected to witness firm trend in near future.

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