

OILSEED DAILY

SEPTEMBER 04, 2006

SOYBEAN

SPOT MARKETS

Soybean spot market exhibited steady sentiments, as with bearish undertone due to increased arrival at Indore, Maharashtra and Kota amidst steady demand. Plant prices in Indore and mandi prices in Maharashtra remained slightly weak. Reports of some damage to the crop due to pest attack are there, which may result in some production losses. The prices will largely hover in its current range in the coming days.

FUTURES MARKETS:

Soybean futures at the NCDEX exhibited strong bearish sentiments owing to speculative selling. The entire oil complex exhibited similar sentiments. The Futures trading in oil complex has become very much volatile due to more and more speculation than any other fundamental reason. The most active October contract hovered in the range of 1262-1270 on Saturday.

PRICE DRIVERS:

1. Speculative selling in futures market
2. Considerable loss to the crop due to rain
3. Upcoming festival demand
4. Possible delay in crop harvest owing to weather problem

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 October contract on the NCDEX, candlestick formation exhibited Marubozu pattern, which is indicative of strong bearish sentiments. The stochastic remains in neutral region but gives bearish signs. Price closed below the 9-days and 18-days EMA, favoring the bears. MACD hovered in negative region but continued its upward journey indicating firm sentiments. Volume significantly declined while open interest slightly increased on Saturday. Technicals suggest weak sentiments.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
October	1250	1246	1262.05	1266	1270

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX October contract near 1261, T1-1255, and stop loss above 1264.

SPOT MARKET PRICES

Centers	Market	02.09.06	01.09.06	Change	Arrivals (Bags)
Indore	Plant	1250-70	1260-75	-5	30000-350000
Indore	Mandi	1200-1230	1210-30	-	
Maharashtra	Plant	1320	1320	-	10000-15000
Maharashtra	Mandi	1250-70	1270-90	-20	
Kota	Plant	1235-40	1230-40	-	3000-4000
Kota	Mandi	1200-1220	1210-20	-	

MUSTARD

SPOT MARKETS

Mustard seed markets traded lacklustre on slightly increased supply in most of the mandis. NAFED is also selling its mustard stock in the range of Rs. 1540-1620. Market is expected to witness increased festive demand in the coming days. The spot price direction will largely depend up on NAFED selling strategy.

FUTURES MARKETS:

On the NCDEX, all mustard seed futures exhibited bearish sentiments on speculative selling. The sentiments also remained affected by the overall bearish sentiments of Oil-complex futures. The most active October contracts traded between 354-356.40 on Saturday.

PRICE DRIVERS:

1. Ample spot supply
2. Speculative selling in Futures market
3. Upcoming festival demand
4. Continued offloading by NAFED.

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.

TECHNICALS

On the NCDEX, in October contract candlestick exhibited Marubozu pattern, which suggests strong bearish sentiments. Prices closed below the 9-days and 18-days EMA underlying weak undertone. Stochastic ruled in the neutral region exhibiting slight bullish sentiments. MACD remained almost flat in negative region suggesting stability in the prices. Volume and open interest slightly declined on Saturday. Market may remain volatile with bearish undertone.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
October	350	349	354.2	356	357

TRADE RECOMMENDATION:

Sell NCDEX October contract near 353.5, T1-351.5, and stop loss above 354.50.

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

Markets	02.09.06	01.09.06	Change	Arrivals (Bags)
Jaipur (C)	1735-40	1735-40	-	4000
Alwar(C)	1670	1650-60	-10	1000
Delhi(C)	1780-85	1785	-	600
Agra(C)/Katchi Ghani	1840/4200	1850/4200	-10	-
Sri Ganganagar (NC)	1470-80	1485-90	-10	-
Kota (NC)	1560-70	1570-90	-20	500

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Groundnut seed market remained steady with slight bearish undertone in Gujarat on marginally decreased demand. Groundnut seed in Rajkot hovered near Rs 388 per 20 kg and groundnut oil traded at Rs 535 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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