

OILSEED DAILY

SEPTEMBER 19, 2006

SOYBEAN

SPOT MARKETS

Soybean spot market traded with firm sentiments on improved demand at major mandis in MP, MH and Rajasthan. It was offered at slightly higher prices in all of these mandis. According to the Government estimates, the soybean output is likely to increase by about 1 million tonnes this year. However, the effect of the increased output will be nullified by the decreased groundnut output. Thus, soybean prices are expected to trade steady to firm in the coming days.

FUTURES MARKETS:

Soybean futures on the NCDEX exhibited strong bullish sentiments on good buying support. Firm soy oil futures also supported the soy seed market. Further, the spot market demand is also satisfactory. The most active October contract hovered in the range of 1235.50-1257.00 on Monday. Firm trend is expected.

PRICE DRIVERS:

1. Firm spot market demand
2. Festive demand picks up
3. Good buying support in futures market

WEATHER

Weather is normal in most of the soybean growing areas in MP and MH.

TECHNICALS

In October contract on the NCDEX, candlestick pattern show strong bullish pattern. Price closed above the 9-days EMA. MACD hints for bullish sentiments while hovering in negative region. Stochastic and RSI also hints for firm trend. Volume significantly increased while open interest slightly declined on Monday. Market is expected to behave firm however some profit booking may be realized.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
October	1226	1220	1256	1265	1271

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX October contract near 1250, T1-1260 and stop loss below 1245.

SPOT MARKET PRICES

Centers	Market	18.09.06	16.09.06	Change	Arrivals (Bags)
Indore	Plant	1235-1245	1220-40	+5	20000-25000
Indore	Mandi	1195-1210	1190-1200	+10	
Maharashtra	Plant	1300-1310	1300	+10	10000
Maharashtra	Mandi	1250-1280	1240-70	+10	
Kota	Plant	1200-1220	1220-30	+10	5000
Kota	Mandi	1195-1200	1190-1200	-	

MUSTARD

SPOT MARKETS

The mustard seed physical prices hovered in the previous trading price range amidst normal demand in most of the mandis in Delhi, Rajasthan and Agra. The NAFED is also selling its produce on Rs. 1615 per quintal. The traders believe that prices will remain steady to firm in the coming days on continued festive demand and forecast of less oilseeds production by the Government.

FUTURES MARKETS:

On the NCDEX, all the mustard seed futures contracts traded with firm sentiments on strong buying support. The soy seed and soy oil also exhibited bullish trend. The most active October contracts traded between 350.70-352.25 on Monday. Market is expected to remain firm.

PRICE DRIVERS:

1. Normal physical demand
2. Upcoming festive demand
3. Good buying support in the futures market

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

On the NCDEX, in October contract candlestick pattern shows strong bullish pattern on speculative buying. Prices closed above the 9-days EMA. MACD continued its up trend in negative region. Stochastic and RSI also favor the bulls. Volume slightly declined while open interest slightly increased on Monday. Market appears to be steady to firm.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
October	340	335	352.05	355	357

TRADE RECOMMENDATION:

Buy NCDEX October contract near 351.50, T1-353.50 and stop loss below 350.50.

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

Markets	18.09.06	16.09.06	Change	Arrivals (Bags)
Jaipur (C)	1735-40	1730-35	+5	3000
Alwar(C)	1665-70	1660-65	+5	1000-1200
Delhi(C)	1780	1780	-	700-800
Agra(C)/Katchi Ghani	1850/4150	1850/4150	-	-
Sri Ganganagar (NC)	1480	1485	-5	300
Kota (NC)	1560-1570	1550-70	-	500

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Groundnut seed market traded with firm sentiments in Gujarat on firm 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. Groundnut production is likely to reduce significantly, so the prices are expected to witness firm trend in near future.

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