

OILSEED DAILY

SEPTEMBER 05, 2006

SOYBEAN

SPOT MARKETS

Soybean spot market traded with steady sentiments at Indore, Maharashtra and Kota amidst normal demand. Arrivals remained slightly restricted at Indore and MP. The demand is likely to pick up in few more days. The prices will largely hover in its current range in the coming days.

FUTURES MARKETS:

Soybean futures at the NCDEX traded with bearish sentiments on intense selling pressure. The whole oil complex showed weak sentiments. Government hiked the tariff value of crude soybean oil, which also had marginal impact on the prices. The most active October contract hovered in the range of 1253-1264.90 on Monday.

PRICE DRIVERS:

1. Considerable loss to the crop due to rain
2. Upcoming festival demand
3. Possible delay in crop harvest owing to weather problem
4. Hike in the tariff value of crude soybean oil
5. Bearish international market sentiments

WEATHER

Few parts of Maharashtra and Madhya Pradesh may receive rainfall. However, heavy rains cause some adverse effect on the soybean crop in these areas.

TECHNICALS

In October contract on the NCDEX, candlestick formation exhibited continuation of bearish trend. The stochastic remains in neutral region but gives bearish signs. Price closed below the 9-days and 18-days EMA. MACD remained in negative region but hinted for some improvement in near future. Stochastic hovered in neutral region giving bearish signals. Volume significantly increased while open interest slightly declined on Monday. Technicals suggest weak sentiments.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
October	1240	1235	1253	1266	1270

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX October contract near 1256, T1-1248 and stop loss above 1260.

SPOT MARKET PRICES

Centers	Market	04.09.06	02.09.06	Change	Arrivals (Bags)
Indore	Plant	1250-70	1250-70	-	150000
Indore	Mandi	1200-1230	1200-1230	-	
Maharashtra	Plant	1315-20	1320	-	10000
Maharashtra	Mandi	1250-70	1250-70	-	
Kota	Plant	1230-40	1235-40	-	3000
Kota	Mandi	1210-1225	1200-1220	+5	

MUSTARD

SPOT MARKETS

Most of the mustard seed mandis traded steadily on stable demand. Prices hovered in the previous day's price range except Agra where it was offered at slightly higher prices. Mustard seed market will remain in its current range for few more days due to stagnant demand. However, festive demand is likely to pick up in one -two weeks.

FUTURES MARKETS:

On the NCDEX, mustard futures continued its bearish undertone on intense selling pressure. All the contracts exhibited similar sentiments in the line with soybean seed and soyoil futures. Market also remained influenced by the hike in the tariff value of the crude soybean oil. The most active October contracts traded between 350.55-354.85 on Monday.

PRICE DRIVERS:

1. Steady demand in spot market
2. Speculative selling in Futures market
3. Upcoming festival demand
4. Continued offloading by NAFED.
5. Hike in the tariff value of crude soybean oil

WEATHER

Mustard, being a rabi crop is not in existence in its growing areas. So weather is no more a concern for this crop except that heavy rains may create hindrance in its arrival to the mandis.

TECHNICALS

On the NCDEX, in October contract candlestick formed Marubozu pattern, which is indicative of bearish undertone. Prices closed below the 9-days and 18-days EMA, hinting towards weakness in the market. Stochastic ruled in the neutral region exhibiting bearish undertone. MACD remained almost flat in negative region suggesting stability in the prices. Volume and open interest on Monday. Market may further exhibit downtrend.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
October	345	340	351.30	356	357

TRADE RECOMMENDATION:

Sell NCDEX October contract near 352.5, T1-349.5, and stop loss above 353.5.

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

Markets	04.09.06	02.09.06	Change	Arrivals (Bags)
Jaipur (C)	1735-40	1735-40	-	4000
Alwar(C)	1660-70	1670	-	1400-1500
Delhi(C)	1785	1780-85	-	300
Agra(C)/Katchi Ghani	1850/4200	1840/4200	+10	-
Sri Ganganagar (NC)	1475-80	1470-80	-	200-250
Kota (NC)	1560-70	1560-70	-	500

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Groundnut seed market traded with slight bearish undertone in Gujarat on reduced demand. Groundnut seed in Rajkot hovered near Rs 380 per 20 kg and groundnut oil traded at Rs 530 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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