

OILSEED DAILY

SEPTEMBER 20, 2006

SOYBEAN

SPOT MARKETS

Soybean spot market traded with steady sentiments on satisfactory demand at major mandis in MP and Rajasthan. However, in Maharashtra it was offered at slightly lower prices. According to the latest government estimates, production of soybean during 2006-07 is estimated at 75.46 lakh tonnes against a target of 86.92 lakh tonnes. The 4th advance estimate for 2005-06 was 83.5 lakh tonnes. The demand will continue to remain firm in the coming days.

FUTURES MARKETS:

Soybean futures on the NCDEX exhibited strong bullish sentiments on Speculative buying. The spot market demand is also normal. The most active October contract hovered in the range of 1255-1268 on Tuesday. Firm trend is expected.

PRICE DRIVERS:

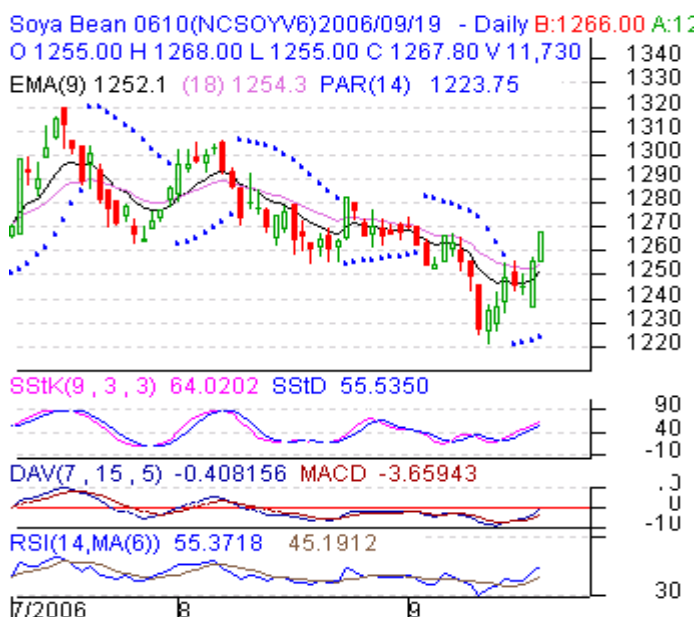
1. Normal spot demand
2. Festive demand picks up
3. Speculative buying in the futures market

WEATHER

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

TECHNICALS

In October contract on the NCDEX, candlestick shows strong bullish sentiments. Price closed far above the 9-days EMA. MACD hints for bullish sentiments while hovering in negative region. Stochastic and RSI also favors the bulls. Volume and open interest slightly declined on Tuesday. Market appears to be firm.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
October	1226	1220	1267.80	1282	1297

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX October contract near 1262, T1-1272 and stop loss below 1257.

SPOT MARKET PRICES

Centers	Market	19.09.06	18.09.06	Change	Arrivals (Bags)
Indore	Plant	1240-1255	1235-1245	+10	25000-30000
Indore	Mandi	1180-1220	1195-1210	+10	
Maharashtra	Plant	1300	1300-1310	-10	8000-10000
Maharashtra	Mandi	1250-1270	1250-1280	-10	
Kota	Plant	1200-1220	1200-1220	-	5000-6000
Kota	Mandi	1175-1200	1195-1200	-	

MUSTARD

SPOT MARKETS

The mustard seed spot market traded firm on improved demand in most of the mandis in Delhi, Rajasthan and Agra. With the nearing in of the festival season, the demand is likely to remain firm in the near future. The lower production estimates of the oilseeds also added to the bullish sentiments of the market.

FUTURES MARKETS:

On the NCDEX, the mustard seed futures contracts traded with bullish sentiments on strong buying support. The soy seed also added to its bullish sentiments. However, due to profit booking in the last trading hours, the October contracts closed with slightly bearish sentiments. It hovered between 351.55-354 on Tuesday. Market is expected to remain firm, however, some profit booking may also be realized.

PRICE DRIVERS:

1. Improved physical demand
2. Upcoming festive demand
3. Speculative Buying 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

On the NCDEX, in October contract candlestick formation shows that prices went on higher levels but again came down on profit booking. Prices closed above the 9-days EMA. MACD continued its up trend in negative region. Stochastic and RSI favor the bulls. Volume slightly increased while open interest slightly declined on Tuesday. Market is likely to trade with improved sentiments.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
October	340	335	352.10	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	19.09.06	18.09.06	Change	Arrivals (Bags)
Jaipur (C)	1735-40	1735-40	-	3000
Alwar(C)	1660-70	1665-70	-	700-800
Delhi(C)	1780	1780	-	600
Agra(C)/Katchi Ghani	1860/4175	1850/4150	+10	-
Sri Ganganagar (NC)	1500	1480	+20	100-200
Kota (NC)	1560-1580	1560-1570	+10	500-600

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Groundnut seed market traded with improved sentiments in Gujarat on firm demand. Groundnut seed in Rajkot hovered near Rs 387 per 20 kg and groundnut oil traded at Rs 535 per 10 kg. Arrivals at the Rajkot mandi remained at 25000 bags. Groundnut production during Kharif 2006-07 is estimated at 40.89 lakh tonnes against a target of 71 lakh tonnes. The 4th advance estimate of groundnut during Kharif 2005-06 was 62.23 lakh tonnes while the 1st advance estimate was 59.43 lakh tonnes. So the prices are expected to witness firm trend in near future.

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