

OILSEED DAILY

SEPTEMBER 06, 2006

SOYBEAN

SPOT MARKETS

Soybean spot market traded with slightly weak sentiments at Indore and Maharashtra where it was offered at lower prices on subdued demand. However, arrivals also remained low but could not influence the prices due to weak demand. Kota mandi witnessed increment in the spot prices on marginally increased demand. According to the latest released kharif sowing estimates, the soybean acreage has gone up to the level of 79.85 lakh ha which is about 3.74 percent more than the previous year. The traders can expect a normal harvest but continued rainfalls in the MP and Maharashtra have left this crop in a doubtful situation. Some loss to the crop has already been reported in some areas of MP. The prices are not expected to witness any major change in coming days.

FUTURES MARKETS:

Most of the Soybean futures at the NCDEX exhibited bearish sentiments. Soy refined oil futures prices also lasted some effect on soybean futures. However, the most active October contract remained firm on increased buying and hovered in the range of 1251.50 - 1257 on Tuesday.

PRICE DRIVERS:

1. Slightly weak spot market demand
2. Some loss to the crop due to rain in MP and MH
3. Upcoming festival demand
4. Possible delay in crop harvest owing to weather problem

WEATHER

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

TECHNICALS

In October contract on the NCDEX, candlestick formation exhibited bullish sentiments on Tuesday. However, the technical indicators favor the bears. The stochastic is in neutral region and conveys weak market sentiments. Price closed far below the 9-days and 18-days EMA. MACD remaining in negative region, moved downward. Volume and open interest slightly declined on Tuesday.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
October	1240	1235	1254.45	1266	1270

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX October contract near 1258, T1-1252 and stop loss above 1261.

SPOT MARKET PRICES

Centers	Market	05.09.06	04.09.06	Change	Arrivals (Bags)
Indore	Plant	1240-60	1250-70	-10	5000
Indore	Mandi	1195-1220	1200-1230	-10	
Maharashtra	Plant	1300	1315-20	-20	10000-12000
Maharashtra	Mandi	1250-70	1250-70	-	
Kota	Plant	1240-50	1230-40	+10	5000-6000
Kota	Mandi	1210-30	1210-1225	+5	

MUSTARD

SPOT MARKETS

The mustard seed market exhibited slight bearish undertone owing to subdued demand. It was offered at lower prices in most of the Rajasthan mandis. Mandis witnessed increased arrivals and consequently decreased prices. Traders still wait for some more downward movement to start purchasing. NAFED continues to offload its stock, thus restricting the sharp movement in prices. Prices are likely to hover in its current price range.

FUTURES MARKETS:

On the NCDEX, mustard seed futures exhibited mixed trend on speculative trading. Trade remained volatile on Tuesday. Soy complex futures also affected the mustard seed sentiments. The most active October contracts traded between 349.50-351.80 on Tuesday.

PRICE DRIVERS:

1. Slightly weak physical demand
2. Weak futures market demand
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 pattern indicates bearish undertone, however trade remained volatile. Prices closed far below the 9-days and 18-days EMA suggesting weakness to persist in the coming days. Stochastic remains in neutral region and signals bearish sentiments. MACD is flat in negative region suggesting stability in the prices. Volume declined while open interest slightly increased on Tuesday. Downtrend is likely to extend further.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
October	345	340	351.70	356	357

TRADE RECOMMENDATION:

Sell NCDEX October contract near 352.5, T1-349.5, and stop loss above 354.00.

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

Markets	05.09.06	04.09.06	Change	Arrivals (Bags)
Jaipur (C)	1730	1735-40	-10	4000
Alwar(C)	1640-50	1660-70	-20	1500
Delhi(C)	1795	1785	+10	600
Agra(C)/Katchi Ghani	1850/4200	1850/4200	-	-
Sri Ganganagar (NC)	1455-70	1475-80	-10	250
Kota (NC)	1550-60	1560-70	-10	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 525 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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