

OILSEED DAILY

SEPTEMBER 07, 2006

SOYBEAN

SPOT MARKETS

Soybean spot market witnessed a lacklustre trade as the mandis remained closed due to "Anantachaturdashi". So no fresh arrival was seen in the mandis. However, plant prices were remained firm in Maharashtra. The MP is receiving heavy rainfall and some losses to the pods may take place. However, no significant loss is expected and farmers believe to get normal production this year.

FUTURES MARKETS:

All the Soybean futures at the NCDEX exhibited firm sentiments on speculative buying. Soy refined oil futures prices also added to its bullish sentiments. The most active October contract remained firm on increased buying and hovered in the range of 1255-1266 on Wednesday.

PRICE DRIVERS:

1. Improved spot market demand
2. Upcoming festival demand
3. Speculative buying in the futures market
4. Firm international market

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. The crop is in pod formation stage.

TECHNICALS

In October contract on the NCDEX, candlestick formation exhibited strong bullish sentiments on Wednesday. The stochastic is in neutral region and exhibit bearish sign. Price closed near the EMA. MACD hovered in negative region and moved downward. Volume increased while open interest slightly declined on Wednesday.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
October	1250	1245	1266	1275	1280

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX October contract near 1260, T1-1270 and stop loss below 1255.

SPOT MARKET PRICES

Centers	Market	06.09.06	05.09.06	Change	Arrivals (Bags)
Indore	Plant	1250-60	1240-60	-	-
Indore	Mandi	-	1195-1220	-	
Maharashtra	Plant	1315	1300	+15	-
Maharashtra	Mandi	-	1250-70	-	
Kota	Plant	1240-50	1240-50	-	-
Kota	Mandi	-	1210-30	-	

MUSTARD

SPOT MARKETS

The mustard seed market prices improved in almost all the mandis in Rajasthan on slightly increased demand. The crushing demand is also picking up and steady to firm trade can be seen in the coming days. Due to "Anantachatudash" trading activities largely remained subdued.

FUTURES MARKETS:

On the NCDEX, most of the mustard seed futures contracts exhibited bearish trend on speculative selling. However, September contract remained slightly bullish on good demand. The most active October contracts traded between 351.15-352.60 on Wednesday.

PRICE DRIVERS:

1. Improved physical demand
2. Upcoming festival demand
3. Continued offloading by NAFED.

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 indicates bearish undertone, however trade remained volatile. Prices closed far below the 9-days and 18-days EMA suggesting weakness to persists 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 significantly declined while open interest did not change much on Wednesday. Lacklustre trade with slight bearish undertone is expected.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
October	345	340	351.25	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	06.09.06	05.09.06	Change	Arrivals (Bags)
Jaipur (C)	1730-35	1730	+5	4000
Alwar(C)	1650-60	1640-50	+10	1000-1200
Delhi(C)	1790-95	1795	-	600-700
Agra(C)/Katchi Ghani	1850/4175	1850/4200	-	-
Sri Ganganagar (NC)	1475	1455-70	+5	200
Kota (NC)	1550-65	1550-60	+5	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 520 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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