

## OILSEED DAILY

OCTOBER 13, 2006

### SOYBEAN

#### SPOT MARKETS:

Significant increase in arrivals was noted for the state of Maharashtra and MP. Average to moderate sentiments prevailed in the market. Local demand for soybean from nearby states is supposed to have improved the market sentiments marginally. Besides this producers are willing to sell off their produce in the open market for better price realization in coming days. Last but not the least demand for edible oil is likely to increase further after festive season thus giving a support to spot market sentiments. Further down the line, acreage for soybean in Maharashtra and Rajasthan has decreased substantially in comparison to previous year thus putting a pressure to suffice for regional demand with approaching festive season.

#### FUTURES MARKETS:

The November soybean contract at NCDEX opened weak but strong improvement could be noticed after it's opening for initial hour closely following the gain in CBOT overnight. Sharp decline could be registered on strong speculative selling in tone with the decline in crude that time combine with the idea of huge arrivals in the spot market and lack of aggressive buying by the millers. The futures recovered on the later part of the trading session on short covering and profit booking. The contract opened at 1215.65 and traded in the range from 1204.00 and 1225.00 and finally settled at 1219.00.

#### PRICE DRIVERS:

1. Mixed sentiments in spot market.
2. Steady fresh arrivals pressurizing spot market.
3. Selling pressure in futures market

#### TECHNICALS

Long doji star with long upper and lower shadow indicates perfect indecisiveness into the market. Stochastic indicating kick back pattern-indicating improvement. MACD is running parallel with its trigger line indicating steady market condition. Prices closed below 9 day and 18 days EMA reveal weakness. Volume increased while OI remains almost steady.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	1208	1214	1219	1235.8	1245

#### TRADE RECOMMENDATION: (Intraday)

**Buy** NCDEX November contract above 1220.0, T1- near 1229.0, and stop loss at 1216.0.

#### SPOT MARKET PRICES

Centers	Market	12.10.06	11.10.06	Change	Arrivals (Bags)
Indore	Plant	1180-1200	1215	-15	1,25,000
Indore	Mandi	1050-1140	1140-1170	-30	
Maharashtra	Plant	1220	1230	-10	40,000 -45,000
Maharashtra	Mandi	1050-1150	1050-1200	-50	
Kota	Plant	1180-1190	1180-1190	0	10,000
Kota	Mandi	1150-1175	1150-1170	+5	

## MUSTARD

### SPOT MARKETS

Enough stock of mustard seeds are available in the state of Rajasthan, old stock of seeds have been used up whereas new stock are available at rates higher than quoted earlier that were responsible for bearish sentiments last week. This week market sentiments are a bit bullish with good buying support from traders on account of delayed sowing of mustard crop due to higher temperature prevailing in the region which is unconducive for the sowing period. Besides this there exists an air of centre to hike import duty on edible oils which is driving traders to procure hefty stocks. The spot market sentiments are supposed to catch up the pace in coming weekdays as per sources.

### FUTURES MARKETS:

Though the NCDEX November contract of mustard futures opened firm at 353.95 but traded with bearish note initially. The market registered steep rise in the sentiments at mid session on strong speculative buying with the idea of high demand from Bengal. Reducing stock of mustard seed at few places in Rajasthan provided additional support to the mustard seeds. Intermittent short covering could be seen towards end of the trading session. The contract varied from 352.85 to 355.75 and closed at 355.00.

### PRICE DRIVERS:

1. Slight improvement in physical demand.
2. Hefty inventories with NAFED.
3. Impact of approaching festive season.

### WEATHER

Mustard, being a rabi crop is not in existence in its growing areas. Weather seems to have a little impact on the mustard seeds in general.

### TECHNICALS

Un-filled candlestick indicates improved market sentiments. Stochastic indicates bullish sentiments as the divergence in increasing day by day. MACD remain firm and heading towards the central line cross over with bullish sentiments. The prices closed above the 9-day and 18 day EMA indicating bullish market sentiments. Volume and OI increased marginally.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	352.2	353.80	355	357.5	359.0

### TRADE RECOMMENDATION:

**Buy** NCDEX November contract above 355.0, T1- near 357.0 and stop loss at 354.0.

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

Markets	12.10.06	11.10.06	Change	Arrivals (Bags)
Jaipur (C)	1710-1715	1705-1710	+5	10,000
Alwar(C)	1640	1630-1640	0	1000-1500
Delhi(C)	1785	1785	0	400-500
Agra(C)/Katchi Ghani	1825/4125	1825/4125	0	-
Sri Ganganagar (NC)	1455	1450	+5	200
Kota (NC)	1535-45	1535-1540	+5	1300

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET

A noted decline in spot market prices of groundnut seeds were reported justified by an increase in arrivals notably to a tune of 50 to 60,000 bags, an increase of 15,000 to 20,000 bags in comparison to previous days arrivals. The rates for groundnut seed in Rajkot was reported at 380 per 20 Kg. Groundnut oil was reported to be quoted at Rs 535 per 10 Kg. Uneven rainfall distribution and scattered sowing regions is said to have affected the arrivals of groundnuts to a larger extent thus affecting the rates of seeds and its derivatives thereof. Current spot market sentiments are likely to catch pace after festive season as most of the old seed stocks are reported to have been used up and the off-season sentiments are likely to rule the market.

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