

## OILSEED DAILY

### SOYBEAN

OCTOBER 28, 2006

#### SPOT MARKETS:

Rates for soybean seed in Maharashtra & Rajasthan scaled up on account of good domestic demand from millers amidst good position of soy oil in overseas market. Arrivals in MP reduced marginally under normal demand from stockists thus keeping the rates range bound.

#### FUTURES MARKETS:

Soybean futures on the NCDEX opened higher from the previous day close level. Improved soy oil sentiments gave some support to the soybean futures, but later on due to selling pressure most of the futures settled near their opening level. Positive overseas markets also marginally supported the soybean futures. Improved spot market prices on restricted arrival also supported the futures sentiments. Futures is likely to improve on Saturday.

#### PRICE DRIVERS:

1. Steady arrivals.
2. Increase in demand from millers & stockists.
3. Custom duty for palm to remain unchanged.
4. Improved soy oil sentiments in futures market.

#### WEATHER

Weather is reported to be normal in most part of the soybean growing areas.

#### TECHNICALS

In the November contract, chart pattern volatile trade as initially speculative buying pushed prices up but later on profit booking brought it down and prices closed marginally below its opening level. The closing prices remains above the 9-days and 18-days EMA. Technical indicators like MACD, RSI and Stochastic seem to hint towards steady sentiments. Volume increased while open interest slightly declined on Friday. Soybean futures should slightly improve on Saturday.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	1235	1225	1262.4	1290	1305

#### TRADE RECOMMENDATION: (Intraday)

Buy NCDEX November contract near 1259, T1-1269, and stop loss below 1254.

#### SPOT MARKET PRICES

Centers	Market	27.10.06	26.10.06	Change	Arrivals (Bags)
Indore	Plant	1220-1230	1220-1230	0	10,000 - 25,000 Indore 4,00,000 to 4,25,000 - MP
Indore	Mandi	1160-1180	1160-1180	0	
Maharashtra	Plant	1230-1240	1220	+20	1,50,000 to 1,75,000
Maharashtra	Mandi	1180-1200	1125-1170	+30	
Kota	Plant	1210-1225	1210-1220	+5	20,000 to 25,000 -Kota 1,00,000 - 1,25,000 Rajasthan
Kota	Mandi	1175-1200	1150-1185	+15	

## MUSTARD

### SPOT MARKETS:

With prices of wheat and pulses soaring high it is likely for producers to shift acreage from rapeseed and consequently leading to decrease in production for this Rabi season. On the account of this probability millers and stockists are procuring seed to build up their buffer stock for crushing amidst limited supply. Thus justifying for slightly bullish spot market prices.

### FUTURES MARKETS:

On the NCDEX, mustard seed futures initially traded with bullish sentiments but later on profit booking brought prices down in most of the contracts. However, all the contracts closed above the previous closing level which reflect that current trend will continue for few more days on lower sown acreage under mustard and satisfactory spot market trend.

### PRICE DRIVERS:

1. Slightly improved domestic demand.
2. Limited arrivals.
3. Impact of decrease in crop production besides shift in rapeseed acreage.

### WEATHER

Weather seems to be conducive for mustard crop in Rajasthan.

### TECHNICALS

On the NCDEX, in November contract, chart pattern indicate that contract opened at much higher level from the previous day's close level. Prices rose to higher levels but later on profit booking took place and finally prices settled below the opening level. However, technical indicators like MACD, RSI and Stochastic favor the bulls. Market should trade with positive sentiments on Saturday.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	352	350	355.1	358	360

### TRADE RECOMMENDATION:

Buy NCDEX November contract near 354, T1-356 and stop loss below 353.

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

Markets	27.10.06	26.10.06	Change	Arrivals (Bags)
Jaipur (C)	1740-1750	1735-1740	+10	10,000
Alwar(C)	1680-1690	1670-1680	+10	1000-1200
Delhi(C)	1780	1780	0	300-600
Agra(C)/Katchi Ghani	1860/4425	1830/4225	+30/200	-
Sri Ganganagar (NC)	1505-1510	1485-1490	+20	200
Kota (NC)	1530-1540	1530-1540	0	15,000 - 20,000

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET

Spot markets reopened after a festive gap amidst good arrivals of groundnut, to a tune of 1.25 to 1.5 lakh bags. The spot market price for groundnut was quoted at Rs 380 per 20 Kg. Rates for groundnut oil remained range bound. It was quoted at 505 Rs per 10Kg. Arrivals for groundnuts are likely increase by start of November. Local demand from feed industry is likely to impact trade sentiments by first fortnight of next month.

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