

## OILSEED DAILY

### SOYBEAN

OCTOBER 12, 2006

#### SPOT MARKETS:

Mixed sentiments prevailed today with marked increase in arrivals being reported from Maharashtra despite a higher moisture content level in newly arrived stock. This kharif season witnessed a comparative decrease in acreage of soybean in Maharashtra and Rajasthan as compared to previous years estimate besides scanty rainfall in few of the regions of the states that has been cited as one of the reason for steady to constant influx of soybean in spot markets. Crushing of beans has gathered up the pace owing to consumptive demand and thus driving the prices upwards in MP in comparison to previous days estimate.

#### FUTURES MARKETS:

The November soybean contract at NCDEX opened weak and traded with bearish sentiments for most of the time. Speculative selling dominated most of the trading sessions on high arrivals of new soybean seeds into the market. Bearish global scenario combine combined with lack lustre trade in the spot fuelled the market down. Short covering and profit booking could be noticed during later part of the trading session. The contract opened at 1225.00 and traded in the range from 1217.50 and 1225.60 and finally settled at 1219.95

#### PRICE DRIVERS:

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

#### WEATHER

Weather is normal in most of the soybean growing areas in MP and MH. However, some parts are likely to receive scattered rainfall in few of the areas.

#### TECHNICALS

Filled long bodied Candlestick indicates bearish market sentiments and lower shadow indicating certain level of retracement in its prices. Stochastic curving down indicating possible bearish cross over. MACD is curving down sharply indicating weakness in the market sentiments and possible bearish cross over. Prices closed below 9 day and 18 days EMA reveal weakness. Volume decline sharply while OI remains almost steady.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	1208.7	1212.6	1219.95	1226.6	1232.5

#### TRADE RECOMMENDATION: (Intraday)

**Sell** NCDEX November contract below 1221.10, T1- near 1215.0, and stop loss at 1224.0.

#### SPOT MARKET PRICES

Centers	Market	11.10.06	10.10.06	Change	Arrivals (Bags)
Indore	Plant	1215	1190-1210	+5	1,00,000
Indore	Mandi	1140-1170	1150-1170	0	
Maharashtra	Plant	1230	1240	-10	20-25,000
Maharashtra	Mandi	1050-1200	1190-1210	-10	
Kota	Plant	1180-1190	1180-1190	0	5000
Kota	Mandi	1150-1170	1165-1190	-20	

# MUSTARD

## SPOT MARKETS

Traders are supposed to have procured the seed stock well before festive season and at the same time invested major stock in mustard seeds futures expiring Nov-20. Despite this arrivals are reported to have improved in Delhi and Alwar spot markets wherein selling and buying pressures have equated each other bringing a slight improvement over sentiments that prevailed on the previous day. Further liquidation of stocks from NAFED is likely to decide the future sentiments. Producers too are willing to sell off their stock in the open market for availing better prices. However fresh stock of mustard seeds in Rajasthan was quoted at rates higher than old available stock.

## FUTURES MARKETS:

Though the NCDEX November contract of mustard futures opened firm at 355.00 but sharp decline could be noticed on speculative buying taking cues from the global bearish scenario of oilseeds and oils. Sharp decline for most of the trading session could be due to the high inventories with NAFED combined with high arrival pressure of soybean keep check on the rise in mustard futures. Slight recovery could be noticed at the end of the trading session on short covering and profit booking. The contract varied from 352.50 to 355.00 and closed at 353.25

## PRICE DRIVERS:

1. Bearish 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

## TECHNICALS

Filled candlestick indicates weaken market sentiments. Stochastic continue to improve with increasing divergence indicating firmness. Divergence is increasing between MACD and its trigger line after bullish cross over indicating firm market sentiments. The prices closed in-between the 9-day and 18 day EMA indicating indecisiveness into the market. Volume decline while OI remains almost steady.



## SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	350.9	352.7	353.25	357.2	358.5

## TRADE RECOMMENDATION:

**Buy** NCDEX November contract above 354.0, T1- near 355.0 and stop loss at 353.0.

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

Markets	11.10.06	10.10.06	Change	Arrivals (Bags)
Jaipur (C)	1705-1710	1710	0	15,000
Alwar(C)	1630-1640	1640	0	1000
Delhi(C)	1785	1775-1780	+5	700-800
Agra(C)/Katchi Ghani	1825/4125	1825/4125	0	-
Sri Ganganagar (NC)	1450	1450	0	200
Kota (NC)	1535-1540	1490-1510	+30	1200-1300

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET

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 are left with new stock. Fresh stocks of groundnuts are supposed to have a higher moisture content so as to avoid increasing the pace of crushing simultaneously. The rates for groundnut seed in Rajkot was reported to be in a range of 380 to 400 per 20 Kg. Groundnut oil was reported to be quoted at Rs 545 per 10 Kg. Traders are of the opine that though sufficient stocks are available but since crushing activity is set at moderate pace the consumptive demand is likely to increase gradually thus affecting the spot market sentiments. 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.

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