

OILSEED DAILY

SOYBEAN

OCTOBER 10, 2006

SPOT MARKETS:

Fresh arrivals of soybean in MP and Rajasthan have considerably brought down the rates. Crushing of beans is said to have increased which has added to a further decline in rates at manufacturers end in the above two states. In Maharashtra the spot markets sentiments remain stagnant, as no new arrivals has been reported in due course of time. Spot market sentiments are likely to improve in coming weekdays in terms of volume and stock of beans [both fresh and old].

FUTURES MARKETS:

The November soybean contract at NCDEX opened steady and decline sharply propelled by strong speculative selling. Huge arrivals continue to pressurize the market down with steady demand. The sentiments decline to touch the days low near 2.30 pm as the arrivals increasing day by day with lack lustre trade in the domestic centers. The market is expected to decline further as the high volume of arrivals is expected to come in near terms. The contract opened at 1225.00 and traded in the range from 1214.00 and 1226.00 and finally settled at 1221.40.

PRICE DRIVERS:

1. Moderate sentiments in spot market.
2. Huge 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 with long lower shadow continues to generate bearish market sentiments. Stochastic remain firm indicating strength. MACD running flat indicating indecisiveness into the market condition. Prices closed below 9 day and 18 days EMA indicating weak market sentiments. Volume increased significantly while OI decline marginally.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	1208	1215	1221.4	1229	1237

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX November contract near 1224.20, T1- near 1217, and stop loss at 1227.0.

SPOT MARKET PRICES

Centers	Market	09.10.06	07.10.06	Change	Arrivals (Bags)
Indore	Plant	1190-1210	1120-1230	-20	80,000 40
Indore	Mandi	1170-90	1160-1200	-10	
Maharashtra	Plant	1260	1260	0	10-12,000
Maharashtra	Mandi	1210-1220	1220-1230	-10	
Kota	Plant	1185-1200	1200-1250	-50	6000
Kota	Mandi	1170-80	1150-1175	+5	

MUSTARD

SPOT MARKETS

Spot market sentiments have shown average to bearish tendencies in major spot markets except in Ganganagar. Arrivals were observed to improve in Alwar and Kota markets. Stocks of old seeds were sold a bit higher rate in comparison to fresh stocks in terms of its compatibility for crushing to obtain oil. A regional preference for the oil is likely to be on of the deciding factors for consumptive demand. Arrivals are said to register a hike in coming days adding to forthcoming market sentiments across the major markets.

FUTURES MARKETS:

NCDEX November contract of mustard futures opened slightly firm at 351.20 and decline with initial improvements. Choppy trade could be noticed in mustard futures as the market lacks any fundamental support. Huge inventories and low selling prices by the NAFED keeps its price checked. The market lack proper direction in absence of motivating force to drive the market. The contract varied from 350.00 to 351.60 and closed at 351.15.

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 impact on the mustard seeds in general.

TECHNICALS

Spinning top formation by candlestick indicates indecisive market sentiments. Stochastic and MACD though remain bullish but lack firmness on low divergence. The prices remain below the 9-day and 18 day EMA indicating weakness. Volume improved slightly while OI remains almost steady. The market at this juncture remains volatile as market lacks proper direction.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	348.7	349.2	351.15	352.5	354

TRADE RECOMMENDATION:

Sell NCDEX November contract near 351.90, T1- near 350.70 and stop loss at 352.40.

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

Markets	09.10.06	07.10.06	Change	Arrivals (Bags)
Jaipur (C)	1710-15	1710-15	0	10-15,000
Alwar(C)	1635-40	1640-50	-10	800-900
Delhi(C)	1765	1760-65	0	400
Agra(C)/Katchi Ghani	1825/4125	1825/4125	0	-
Sri Ganganagar (NC)	1450	1440-45	+5	200
Kota (NC)	1510-30	1520-60	-30	1200-1500

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

The rates for groundnut seed in Rajkot stood at Rs 400 per 20 Kg. Groundnut oil was reported to rule lower by a margin of 10 Rs despite satisfactory arrivals of 50 to 60,000 bags. Crushing of nuts has increased substantially adding to the volume and cost of groundnut oil. Market sentiments are likely to improve in coming days as groundnut crushing is reported to have increased leading to a sharp decline in its rates in comparison to rates prevailing last week. Arrival has been observed to improve thus adding to more volumes of nuts and is expected to increase further due to good crop harvest this year.

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