

OILSEED DAILY

SOYBEAN

OCTOBER 17, 2006

SPOT MARKETS:

Spot markets showed mixed sentiments with bearish undertone. An increase in supply pressure from producers has picked up the pace and thus rates showing a downtrend movement. The sentiments hold good for Rajasthan and MP both. But for Maharashtra local demand remained steady thus keeping the rates range bound and is expecting further influx of soybean seeds in coming days. Farmers are selling their stock in open markets to avail better prices.

FUTURES MARKETS:

The November soybean contract on the NCDEX exhibited bearish trend on profit booking. Further, spot market prices are also easing on continued huge arrivals in the major mandis; thus, adversely affecting the futures market sentiments. The contract hovered in the range of 1230.30-1251.00 on Monday. Futures market is expected to remain slightly bearish on weak spot market support.

PRICE DRIVERS:

1. Mixed sentiments with bearish undertone in spot market.
2. Steady fresh arrivals pressurizing spot market.
3. Selling pressure from producers
4. Demand from millers.

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

In the November contract, the candlestick formation indicates dominance of bears on Monday. Technical indicators like Stochastic and MACD favors the bulls while RSI is indicating the weakness to prevail in the market. Prices closed above the 9-days and 18-days EMA. Volume and open interest both slightly declined. Market is expected to remain weak on Tuesday.

Soya Bean 0611(NCSOYX6)2006/10/16 - Daily B:1237.00
O 1251.00 H 1251.00 L 1230.30 C 1237.00 V 16
EMA(9) 1234.8 (18) 1235.9 PAR(14) 1207.16



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	1215	1205	1237	1263	1271

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX November contract near 1244, T1-1230, and stop loss above 1251.

SPOT MARKET PRICES

Centers	Market	16.10.06	14.10.06	Change	Arrivals (Bags)
Indore	Plant	1215-20	1210-30	-10	4,50,000 [MP], 25,000- Indore
Indore	Mandi	1140-1185	1180-1200	-15	
Maharashtra	Plant	1215	1220	-5	1, 50,000
Maharashtra	Mandi	9050-1150	1050-1130	+20	
Kota	Plant	1200-1210	1210-1220	-10	55,000-60,000 [Rajasthan] 12,000-15,000 Kota
Kota	Mandi	1170-1200	1160-1170	+30	

MUSTARD

SPOT MARKETS

The Spot market sentiments remained steady except for a marginal hike in demand for mustard seeds from Ganganagar. Arrivals were reported to follow past trend. Traders for mustard seed opine that trend for trading is marginally inclined for substitute oilseed owing to its reduced prices and good overseas sentiments besides awaiting for further liquidation of seed stock from NAFED that has been procured from previous Rabi season. However withdrawal of festive season is likely to change market sentiments as trading would catch up its sluggish pace particularly for mustard seeds.

FUTURES MARKETS:

All mustard seed futures on the NCDEX continued bearish trend on speculative selling maintaining its previous day's trend. The most active November contract hovered in the range of 354.60-356.10 on Monday. Volume and open interest slightly declined. The high stock in the spot market does not allow the futures prices to see significant up trend. Further, weak sentiments in the soybean and veg oil also affected the mustard seed sentiments.

PRICE DRIVERS:

1. Steady 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

On the NCDEX, in November contract, candlestick formed doji pattern, which imply state of indecisiveness among the futures traders. Volume and open interest both marginally declined on Monday. Prices closed above the 9-days and 18-days EMA. The divergence between DAV and MACD has narrowed down indicating weakness in the market. RSI favours the bears. However, Stochastic provide some strength. A mustard seed future is expected to remain slightly weak on Tuesday.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	352.5	350	355	358	360

TRADE RECOMMENDATION:

Sell NCDEX November contract near 356, T1-354.00 and stop loss above 357.00.

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

Markets	16.10.06	14.10.06	Change	Arrivals (Bags)
Jaipur (C)	1710-1720	1715-20	0	10,000-15,000
Alwar(C)	1650	1640-1650	0	1200
Delhi(C)	1780-1785	1780-1790	-5	400-500
Agra(C)/Katchi Ghani	1840/4150	1850/4150	0	-
Sri Ganganagar (NC)	1465-1470	1465	+5	200-250
Kota (NC)	1540-1545	1530-1545	0	1000-1100

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Spot market sentiments remained nearly firm. It was quoted at Rs 385 per 20 Kg. An increase in supply pressure was noticed with arrivals climbing up by 15% under steady demand pressure. Arrivals reported were to a tune of 60,000 to 70,000 bags. Groundnut oil was reported to be quoted at Rs 525 per 10 Kg. Being a major groundnut producing state most of the stock gets sufficed to satisfy local and intrastate demand and sentiments would gather pace eventually with further arrivals.

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