

OILSEED DAILY

OCTOBER 05, 2006

SOYBEAN

SPOT MARKETS

Soybean continued to trade with bearish sentiments in all the major mandis in MP and MH. The mandis of Madhya Pradesh are witnessing new crop arrival. It is expected that as the market will receive more and more new crop arrivals, the prices will further ease. Thus, despite the normal demand, the weak sentiments will continue to prevail in the soybean market in the coming days.

FUTURES MARKETS:

The November soybean contract at NCDEX witnessed sharp decline just after opening on speculative selling. The new soybean seeds started flushing into the market and selling at lower prices compared to high moisture and low oil content. Some improvement could be seen on the later part of the trading session on short covering and profit booking. The contract opened at 1216.30 and traded in the range from 1215.10 and 1224.00 and finally settled at 1219.00.

PRICE DRIVERS:

1. Normal spot demand
2. New crop starts arriving in the mandis
3. Selling pressure in futures market
4. Bearish soy oil futures

WEATHER

Weather is normal in most of the soybean growing areas in MP and MH. However, some parts may receive scattered rains.

TECHNICALS

Filled Candlestick with lower shadow shows 'Open Bozu formation' indicating bearish market sentiments. Stochastic remain bearish and in over sold region and therefore possibility of its further improvement. MACD continue to decline with negative wide divergence hinting further bearish sentiments likely to continue for some more time. Prices closed well below the 9 day and 18 days EMA indicating weakness. Volume decline while OI remain almost steady.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
November	1210.0	1205.8	1219.0	1228.2	1232.5

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX November contract below 1220, T1-1212, and stop loss above 1224.

SPOT MARKET PRICES

Centers	Market	04.10.06	03.10.06	Change	Arrivals (Bags)
Indore	Plant	1215-20	1220-30	-10	25000-30000
Indore	Mandi	1180-1200	1170-1180	-20	
Maharashtra	Plant	1260	1270	-10	10000-12000
Maharashtra	Mandi	1200-1220	1200-1220	-	
Kota	Plant	1185-1200	1185-1200	-	5000
Kota	Mandi	1145-1160	1150-1165	-5	

MUSTARD

SPOT MARKETS

The mustard seed spot market witnessed some improvement over yesterday's price as it was offered at marginally higher prices in most of the mandis in Rajasthan and Delhi. The demand continues to be normal due to festive season. The prices are expected to hover in a range bound manner with slight improvement in the coming days.

FUTURES MARKETS:

NCDEX November contract of mustard futures traded with slight bullish tone on speculative buying. The mustard futures are trading near its lowest low and therefore some level of retracement is expected. Wide gap opening (350.55) was seen in the mustard futures with slight downfall initially. Later on the prices retraced back on the back of buying support. The contract varied between 350 to 352 and closed at 351.75.

PRICE DRIVERS:

1. Steady physical demand
2. Ongoing festival season
3. Mixed sentiments in futures market

WEATHER

Mustard, being a rabi crop is not in existence in its growing areas. So weather is no more a concern for this crop.

TECHNICALS

Long unfilled candlestick indicates some recovery on short covering and profit booking. The candlestick patterns reflecting bullish sentiments into the market. Stochastic remain in the oversold region and with bullish cross over indicating bullish sentiments likely to continue. MACD made bullish crossover hinting prices may head northwards. The prices remain below the 9 day and 18 day EMA. Volume increased while OI remains almost steady.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
November	350.0	348.0	351.75	355.7	357.4

TRADE RECOMMENDATION:

Buy NCDEX November contract above 352.10, T1-353.90 and stop loss below 351.00.

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

Markets	04.10.06	03.10.06	Change	Arrivals (Bags)
Jaipur (C)	1715-20	1710-15	+5	3000
Alwar(C)	1640-1650	1650	-	1500
Delhi(C)	1765	1760	+5	1000
Agra(C)/Katchi Ghani	1840/4125	1850/4125	+10	-
Sri Ganganagar (NC)	1465-70	1465-70	-	200
Kota (NC)	1515-45	1520-40	+5	500

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Demand continues to remain firm in the groundnut market due to on going festival season and expected decline in the output. It hovered in Rajkot near Rs 400 per 20 kg and groundnut oil traded at Rs 555 per 10 kg. Arrivals at the Rajkot mandi remained at 25000 bags. The prices are expected to witness firm trend in near future.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.