

OILSEED DAILY

SOYBEAN

OCTOBER 14, 2006

SPOT MARKETS:

Significant arrivals of soybean were reported from Maharashtra and MP. Rates and arrivals both were reported to improve in comparison to previous days estimate on account of good buying support from traders and soybean millers in the state. For Rajasthan an increase in pace of crushing activity is supposed to have hiked the rates in plant due to regional demand. Overall spot market sentiments for Maharashtra and MP were nearly bullish.

FUTURES MARKETS:

The November soybean contract at NCDEX opened firm and rally up on firmness in the soybean futures at CBOT combined with speculative buying. Despite high arrivals the soybean futures got support from the fresh buying by the millers as the lower prices looks lucrative to the millers. The steady rise in the sentiments remain in tone with the Thursday's rally and further expected to advance as its getting buying support from the millers. Later part of trading session reveals some decline on short covering and profit booking. The contract opened at 1220.00 and traded in the range from 1220.00 and 1252.00 and finally settled at 1247.00

PRICE DRIVERS:

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

TECHNICALS

Long unfilled candlestick indicating strong bullish market sentiments. Stochastic is improving with wide divergence between its %K and %D line. Sharp improvement could be noticed in MACD with wide divergence. Prices closed above 9 day and 18 days EMA registering improvement in market sentiments. Volume increased significantly while OI remains almost steady.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	1219.4	1227.0	1247.0	1262.7	1270.4

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX November contract above 1244.70, T1- near 1259.0, and stop loss at 1237.0.

SPOT MARKET PRICES

Centers	Market	13.10.06	12.10.06	Change	Arrivals (Bags)
Indore	Plant	1210-1225	1180-1200	+5	1,75,000
Indore	Mandi	1080-1180	1050-1140	+40	
Maharashtra	Plant	1220	1220	0	55,000 -60,000
Maharashtra	Mandi	1050-1150	1050-1150	0	
Kota	Plant	1180-1200	1180-1190	+10	15,000
Kota	Mandi	1125-1160	1150-1175	-15	

MUSTARD

SPOT MARKETS

Spot market sentiments in Delhi remained firm, whereas in Rajasthan the supply side improved marginally along with hike in demand for mustard seed. Demand is likely to increase further after festive season, as traders are assuming that a temporary hike in prices are due to approaching festival demand and is likely to ease down after Deepawali thus providing enough time and space to procure seed stocks at comparatively lower prices. Presently, delay in early sowing of mustard/rapeseed has prompted traders to procure enough stocks for any future demand justifying for a marginal hike in rates as quoted.

FUTURES MARKETS:

Though the NCDEX November contract of mustard futures opened firm at 355.80 and traded with firm note up to the mid session on aggressive speculative buying combine with the improvement in soy complex futures. Improvement in the mustard futures at Delhi provided additional support to the NCDEX futures market. Market saw sharp decline at mid session as the futures decline sharply in Hapur but regain its strength on the idea that the sowing of mustard crop this year might get delayed owing to high prevailing temperature. The contract varied from 355.10 to 357.30 and closed at 356.60.

PRICE DRIVERS:

1. Slight improvement in 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

Long body Un-filled candlestick indicates bullish market sentiments. Stochastic continue to head northwards indicating bullish market sentiments. MACD made central line cross over and heading northwards with wide divergence indicating bullish sentiments. The prices closed above the 9-day and 18 day EMA combine with convergence of EMA for bullish cross over indicating bullish market sentiments. Volume increased while OI remains almost steady.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	353.8	355.1	356.6	359.6	361.4

TRADE RECOMMENDATION:

Buy NCDEX November contract above 356.60, T1- near 358.20 and stop loss at 355.0.

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

Markets	13.10.06	12.10.06	Change	Arrivals (Bags)
Jaipur (C)	1720	1710-1715	+5	15,000
Alwar(C)	1640-1650	1640	+10	1000
Delhi(C)	1785	1785	0	800
Agra(C)/Katchi Ghani	1850/4150	1825/4125	+25	-
Sri Ganganagar (NC)	1460-1465	1455	+10	200
Kota (NC)	1540	1535-45	-5	1200-1300

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

A noted decline in spot market prices of groundnut seeds were reported justified by an increase in arrivals notably to a tune of 50 to 60,000 bags, more or less similar to previous days arrivals. The rates for groundnut seed in Rajkot were reported to be in range of 380-385 per 20 Kg due to steady demand. Groundnut oil was reported to be quoted in a range of Rs 520-530 per 10 Kg. 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 the off-season sentiments are likely to rule the market.

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