

OILSEED DAILY

OCTOBER 19, 2006

SOYBEAN

SPOT MARKETS:

Producers' have sold off their stocks in open market on account of approaching festive season that would witness sluggish trade sentiments until it reopens after Deepawali. Since major stock has already been procured from producers to prevent any shortfall after festive season is over, thus keeping domestic demand to a bit lower side thereby affecting the rates to marginal extent. Overall market sentiments remained more or less bearish.

FUTURES MARKETS:

All Soybean futures exhibited bearish trend on the NCDEX due to selling interest. Spot markets are receiving new crop arrivals thus pressurizing the physical prices, which in turn adversely affect the futures market sentiments. Further, festive demand is over. Thus, soybean futures market is expected to remain weak in the coming days also. The most active November contract hovered in the range of 1236-1243.60 on Wednesday.

PRICE DRIVERS:

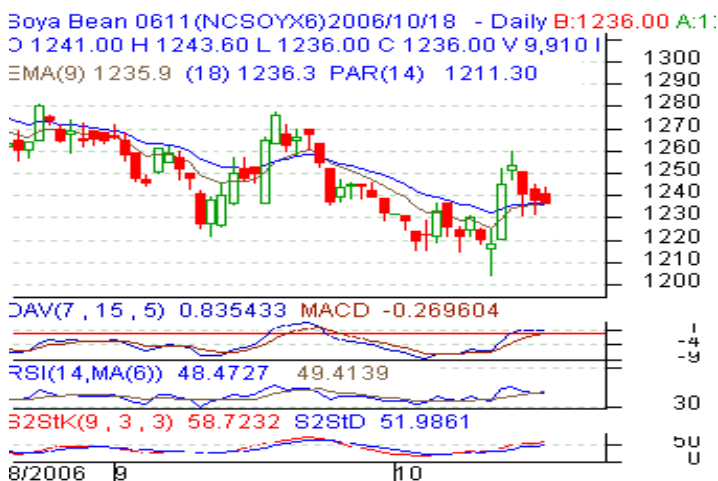
1. Mixed sentiments with bearish undertone in spot market.
2. Steady fresh arrivals pressurizing spot market.
3. Selling pressure from producers

WEATHER

Weather is normal in most of the soybean growing areas in MP and MH.

TECHNICALS

In the November contract, chart shows continuation of the bearish trend. Prices closed above the 9-days and 18-days EMA. The divergence between DAV and MACD is declining giving bearish signal. RSI also hints for weak sentiments. Although, Stochastic still favors the bulls. Volume and open interest declined on Wednesday. Market is expected to remain weak on Thursday.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	1215	1205	1236	1263	1271

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX November contract near 1240, T1-1236, and stop loss above 1243.

SPOT MARKET PRICES

Centers	Market	18.10.06	17.10.06	Change	Arrivals (Bags)
Indore	Plant	1200-1215	1190-1220	-5	3,50,000-4,00,000 [MP] 18,000- 21,000 Indore
Indore	Mandi	1130-1160	1110-1160	0	
Maharashtra	Plant	1215	1210	+5	1,00,000-1,50,000
Maharashtra	Mandi	1140-1150	1100-1150	0	
Kota	Plant	1195-1200	1180-1195	+5	1,00,000 [Rajasthan] 20,000-21,000 Kota
Kota	Mandi	1125-1160	1130-1160	0	

MUSTARD

SPOT MARKETS:

The spot market depicts bearish sentiments. NAFED has liquidated enough stock in the market to meet consumptive and export demand. Enough stock has been reported to be available with millers while producers are selling off their stocks on or before Deepawali. Since local demand remained steady rates were bound to decline marginally. Sentiments are likely to improve after active trading starts off after a brief pause.

FUTURES MARKETS:

All Mustard seed futures on the NCDEX exhibited strong bearish sentiments on speculative selling. The most active November contract hovered in the range of 349-354.25 on Wednesday. The existing huge stock at the NAFED and with the stockiest is pressurizing the spot prices, which also reflects in the bearish futures market trend. The current trend is expected to prevail in the coming days too.

PRICE DRIVERS:

1. Steady physical demand.
2. Enough liquidation from NAFED.
3. Impact of approaching festive season.
4. Selling pressure from producers.

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, chart pattern hints towards strong bearish sentiments in this contract. Volume and open interest both declined on Wednesday. Prices closed far below the 9-days and 18-days EMA. Technical indicators like MACD, RSI and Stochastic favour the bears. November contract is expected to trade with bearish sentiments on Thursday.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	345	340	349.50	358	360

TRADE RECOMMENDATION:

Sell NCDEX November contract near 352, T1-348.00 and stop loss above 354.00.

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

Markets	1810.06	17.10.06	Change	Arrivals (Bags)
Jaipur (C)	1715-1720	1710-1715	+5	15,000
Alwar(C)	1650-1660	1660-1665	-5	700
Delhi(C)	1780	1780	0	600-800
Agra(C)/Katchi Ghani	1850/4225	1840/4200	+5	-
Sri Ganganagar (NC)	1470	1475-1480	-10	200-250
Kota (NC)	1520-1540	1540	0	1000-1200

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Spot market sentiments remained nearly firm on account of selling pressure and steady domestic demand. Groundnut seed was quoted at Rs 380 per 10 Kg whereas groundnut oil was quoted at 515 to 520 Rs per 20 Kg. Arrivals were reported to be in a tune of 45,000 to 55,000 bags. Supply pressure is likely to increase by first fortnight of November, by then enough demand generated from animal feed industry would add to improvement in spot market sentiments in Gujarat [Saurashtra].

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.