

OILSEED DAILY
OCTOBER 07, 2006

SOYBEAN

SPOT MARKETS

With an increase in fresh arrivals of soybean in MP, rates picked up the pace contrary to sentiments prevailing in plants. Crushing of soybean showed average pace as fresh arrivals do hold higher moisture content so as to prevent it's crushing. No new arrivals were reported in Maharashtra justifying for its prevailing rates to remain range bound. Whereas bullish sentiments ruled the spot markets in Rajasthan, crushing of soybean was reported to have increased with ongoing festive demand and new arrivals.

FUTURES MARKETS:

The November soybean contract at NCDEX opened weak and decline marginally after opening but significant increase in the soybean contract could be noticed on strong speculative buying. The traders could notice lowest prevailing prices into the market and in anticipation of higher demand sharp improvement can be visualized up to the mid session. Slight decline then could be seen on profit booking on the later part of the trading session. The soybean futures found additional support from the overseas market and on bullish USDA export sales data. The contract opened at 1221.00 and traded in the range from 1218.50 and 1236.50 and finally settled at 1232.80.

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

Unfilled long body candlestick indicates bullish market sentiments. Stochastic remain in the oversold region and heading northwards after bullish cross over indicating bullish sentiments likely to continue. MACD made bullish cross over and indicating improvement. The prices remain below the 9 day and 18 day EMA but with little improvement. Volume increased while OI remains almost steady.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	1221	1227	1232.8	1252	1259

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX November contract above 1237, T1-1245.30, and stop loss at 1228.0.

SPOT MARKET PRICES

Centers	Market	06.10.06	05.10.06	Change	Arrivals (Bags)
Indore	Plant	1220-30	1230-1245	-15	80,000
Indore	Mandi	1180-1220	1160-1210	+10	
Maharashtra	Plant	1260-1270	1270	0	10-12,000
Maharashtra	Mandi	1200-1220	1200-1230	-10	
Kota	Plant	1185-1220	1190-1200	+20	5000
Kota	Mandi	1170-80	1140-1150	+30	

MUSTARD

SPOT MARKETS

The rates for mustard in Delhi and Rajasthan witnessed a bearish trend in terms of rates and new arrivals. Arrivals remained somewhat stagnant, as old stocks of seeds were available at rates marginally higher than the fresh available stock of mustard seeds. The sentiments for spot market in particular at Alwar (Conditional) and Kota (Non-conditional) remained static whereas spot market at Ganganagar (NC) and Jaipur (C) were observed to show a declining trend for the ruling market sentiments.

FUTURES MARKETS:

NCDEX November contract of mustard futures opened steady at 350.85 increased sharply with strong note on speculative buying. Next hour of trading witnessed decline in the sentiments on short coverage but later part of the trading session remains on the higher side. As per traders the prices expected to remain range bound in near terms but likely to improve on approaching Dipawali demand. Strong speculative buying keeps the prices on the higher side near closing. The contract varied from 350.50 to 352.50 and closed at 352.30.

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

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SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	348.80	350.0	352.3	356.3	357.70

TRADE RECOMMENDATION:

Buy NCDEX November contract above 352.00, T1-354.00 and stop loss at 351.00.

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

Markets	0610.06	05.10.06	Change	Arrivals (Bags)
Jaipur (C)	1710	1710-15	-5	15,000
Alwar(C)	1640-1650	1640-50	0	800
Delhi(C)	1760	1765	-5	700-800
Agra(C)/Katchi Ghani	1825/4150	1850/4150	-	-
Sri Ganganagar (NC)	1450	1460	-10	200
Kota (NC)	1520-1550	1510-50	0	1000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

The rates for groundnut seed in Rajkot stood at Rs 402 per 20 Kg a mere hike of Rs 2 in comparison to previous days prices. Groundnut oil was reported to rule higher by a margin of 5 Rs justified by an increase in arrivals to a tune of 35 to 40,000 bags. The market seemed to have improved a bit on account of arrival of new stocks, sources state that rates and arrivals are going to rule the roost on account of approaching festive seasons. Crushing of nuts have increased substantially adding to the volume and cost of groundnut oil.

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