

## OILSEED DAILY

OCTOBER 26, 2006

### SOYBEAN

#### SPOT MARKETS:

Spot markets resumed trading activity with a positive note amidst fresh arrivals, though few of the mandis were reported to be closed on account of Eid-ul-fitr. Crushing mills continued procuring seed stocks, thus supporting spot prices. Arrivals are likely to increase in coming days as festive season are over by now.

#### FUTURES MARKETS:

Soybean futures traded with bullish sentiments on speculative buying in all the contracts. The firm domestic and international soy oil market support the soybean futures. Further, there is speculation over the tariff rates and base import prices of vegetable oils, which may be revised, in upward direction. Further, soy meal demand may also improve in the coming days. Thus, despite on going harvesting season, futures prices may observe positive sentiments in the coming days.

#### PRICE DRIVERS:

1. Arrivals to pick up pace gradually.
2. Millers procuring seed stock.
3. Holiday for Eid-UI-Fitr.

#### WEATHER

Weather is reported to be normal in most part of the soybean growing areas.

#### TECHNICALS

In the November contract, chart pattern exhibit strong bullish sentiments on good buying support. Prices closed far above the 9-days and 18-days EMA. Technical indicators like MACD, RSI and Stochastic favor the bulls. Volume and open interest significantly increased on Wednesday. Market is expected to remain firm on Thursday.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	1235	1225	1277	1290	1305

#### TRADE RECOMMENDATION: (Intraday)

Buy NCDEX November contract near 1273, T1-1283, and stop loss below 1268.

#### SPOT MARKET PRICES

Centers	Market	25.10.06	23.10.06	Change	Arrivals (Bags)
Indore	Plant	1210-1230	1225	+5	8000 - Indore 50,000 to 80,000 -MP
Indore	Mandi	1160-1180	-	-	
Maharashtra	Plant	1220	1225	-5	2,50,000 to 3,00,000
Maharashtra	Mandi	1050-1100	-	-	
Kota	Plant	1215-1220	1200	+20	25,000 to 30,000 -Kota 1,00,000 Rajasthan
Kota	Mandi	1160-1180	-	-	

## MUSTARD

### SPOT MARKETS:

Rates for mustard seeds improved marginally in Rajasthan, else where it remained firm. The news for area reduction of Rabi mustard in Rajasthan was cited as one of the reason for active buying by stockiest and millers alike. Thus supporting the spot market rates. Sentiments for other mandis remained steady on account of normal demand and supply conditions.

### FUTURES MARKETS:

On the NCDEX, mustard seed futures exhibited bullish sentiments on speculative buying over the continuous news over the sown area reduction in this crop. That's why the January and onwards contracts are showing more upward movement than the current active contract as traders expect that reduced area will result in less production thus fetching better price realization. Futures are expected to trade with bullish sentiments on Thursday; however, some profit booking may also be seen.

### PRICE DRIVERS:

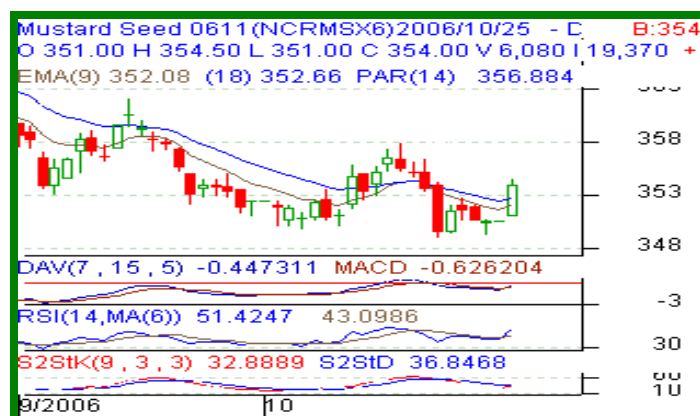
1. Normal domestic demand.
2. Marginal fresh arrivals reported.
3. Impact of decrease in crop production.

### WEATHER

Weather seems to have a little impact on the mustard seeds in general except for higher temperature during germination stage.

### TECHNICALS

On the NCDEX, in November contract, chart pattern indicate that bulls remained active throughout the day. Prices closed over the 9-days and 18-days EMA. Technical indicators like MACD, RSI and Stochastic have started showing improved sentiments to prevail on Thursday.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	345	340	354	358	360

### TRADE RECOMMENDATION:

**Buy** NCDEX November contract near 352, T1-354 and stop loss below 351.00.

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

Markets	25.10.06	23.10.06	Change	Arrivals (Bags)
Jaipur (C)	1730	1725	+5	5000
Alwar(C)	1660	1660-1670	-10	1000-1500
Delhi(C)	1770	1770	0	500-800
Agra(C)/Katchi Ghani	1830/4225	-	-	-
Sri Ganganagar (NC)	1485-1890	1480	+10	200
Kota (NC)	1160-1190	-	-	25,000 - 30,000

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET

No fresh arrivals for groundnut were reported in the market on account of holidays. Rates for groundnut oil remained range bound. It was quoted at 505-510 Rs per 10Kg. Arrivals for groundnuts are likely to pick up by start of November. Local demand from feed industry is likely to impact trade sentiments by first fortnight of next month.

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