

OILSEED DAILY

SOYBEAN

OCTOBER 31, 2006

SPOT MARKETS:

Spot market sentiments for soybean showed mixed sentiment. Since soy futures are picking up well in the world market, stockists are supposed to be building up hefty stocks amidst normal arrivals. On the other end no active trading was witnessed in Maharashtra that is well reflected on its spot market prices.

FUTURES MARKETS:

All the soybean futures opened with positive sentiments and traded firm throughout the day on good buying support. All vegetable oil complex showed bullish sentiments on significantly down acreage under mustard this Rabi season. Further, world soybean market is also positive due to continued good demand. The soybean futures are expected to remain steady to firm in coming days.

PRICE DRIVERS:

1. Steady arrivals.
2. Increase in demand from millers & stockists.
3. Speculative buying in futures market.
4. Demand from feed industry for soymeal.

WEATHER

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

TECHNICALS

In the November contract, chart pattern exhibit good buying support. The closing prices remained far above the 9-days and 18-days EMA. Technical indicators like MACD, Stochastic and RSI favor the bulls. Volume significantly increased while open interest marginally declined on Monday.

Soya Bean 0611(NCSOYX8)2006/10/30 - Daily B:1277.00 A:1278.50
O 1269.00 H 1283.00 L 1268.00 C 1278.55 V 12,240 I 59,180
EMA(9) 1265.0 (18) 1256.8 PAR(14) 1245.48



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	1252	1245	1278.5	1300	1305

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX November contract near 1273.5, T1-1283.5, and stop loss below 1268.5.

SPOT MARKET PRICES

Centers	Market	30.10.06	28.10.06	Change	Arrivals (Bags)
Indore	Plant	1235-1240	1220-1235	+5	20,000 -25,000 - Indore 5,25,000 to 5,85,000 - MP
Indore	Mandi	1170-1215	1170-1205	+10	
Maharashtra	Plant	1240-1245	1240-1245	0	1,75,000 to 2,25,000
Maharashtra	Mandi	1170-1200	1170-1200	0	
Kota	Plant	1215-1245	1215-1235	+10	25,000 to 40,000 -Kota 1,00,000 - 1,25,000 Rajasthan
Kota	Mandi	1160-1210	1210-1220	-10	

MUSTARD

SPOT MARKETS:

Spot market sentiments continued to remain bullish. NAFED was reported to liquidate its stocks at rates above par the open market prices, hence the rates at spot market followed the suit. Besides this, the decision of Cabinet Committee on Economic Affairs to maintain the status quo for MSP of mustard seed also added to spot market sentiments for adjusting rates at par with fixed MSP, that are well reflected in the spot market prices.

FUTURES MARKETS:

On the NCDEX, mustard seed traded with highly bullish sentiments on speculative buying on overall positive scenario in whole vegetable oil complex. Further, sowing of mustard seed is significantly lagging behind the previous year's figure. According to the latest sowing progress, the area brought under mustard seed is down by 48 % from the previous year's figure. Thus, the later months contracts are witnessing higher upward correction. The futures is expected to remain firm in the coming days however profit booking may also be realized to certain extent.

PRICE DRIVERS:

1. Slightly improved domestic demand.
2. Limited arrivals.
3. Decrease in area for mustard crop.
4. NAFED liquidating stock near MSP.

WEATHER

Weather seems to be conducive for mustard crop in Rajasthan.

TECHNICALS

On the NCDEX, in November contract, chart pattern shows strong bullish sentiments on speculative buying in this contract. Prices opened far above the previous close level and settled at much higher levels. EMA remains far below the closing prices. All the technical indicators like MACD, RSI and Stochastic favor the bulls. Volume significantly increased while open interest slightly declined on Monday. Market should trade with positive sentiments on Tuesday however chances of some profit booking can not be overruled.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	352	350	368.05	375	382

TRADE RECOMMENDATION:

Buy NCDEX November contract near 364, T1-370 and stop loss below 361.

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

Markets	30.10.06	28.10.06	Change	Arrivals (Bags)
Jaipur (C)	1770-1780	1755-1760	+20	10,000- 15,000
Alwar(C)	1725-1730	1690-1700	+30	1000-1200
Delhi(C)	1800-1810	1780-1790	+20	150-200
Agra(C)/Katchi Ghani	1925/4350	1870/4500	+55	-
Sri Ganganagar (NC)	1530-1550	1515-1520	+30	200
Kota (NC)	1530-1545	1540-1545	0	10,000 - 15,000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Spot market sentiments are reported to be improving gradually owing to good trend for other oil complex in the world market. Rates for groundnut seeds were quoted at Rs 388 per 10 Kg slightly higher by 5 Rs from previously quoted price. Groundnut oil was quoted at 15 Rs higher and now it now stands at 520 per 10Kg. Arrivals remained steady to a tune of 85,000 to 1 lakh bags. Arrivals for groundnuts are likely increase by first fortnight of November. Local demand from feed industry is likely to impact trade sentiments by first fortnight of next month.

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