

OILSEED DAILY

OCTOBER 27, 2006

SOYBEAN

SPOT MARKETS:

Spot market sentiments remained firm with a bearish undertone except for slight improvement noticed in Maharashtra and Kota due to uptake by millers and stockiest. In other mandis demand remained normal amidst slightly improved arrivals. The rates are likely to remain firm, if the trend persists in coming days.

FUTURES MARKETS:

Soybean futures on the NCDEX traded with bearish sentiments on profit booking. Further, customs duty for Palm oil products will remain at the currently applicable rates till 31st December 2006. This decision turned to be a bearish factor for the speculators who expected that the rates might be revised on up ward direction. So, futures market prices fell on both of the above-mentioned reason. Further, the world soybean markets also remain slightly weak on low demand. Futures are expected to continue its bearish trend on Friday also.

PRICE DRIVERS:

1. Increase in arrivals.
2. Normal demand from millers.
3. Custom duty for palm to remain unchanged.

WEATHER

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

TECHNICALS

In the November contract, chart pattern exhibit prevalence of bearish sentiments on profit booking. Prices closed above the 9-days and 18-days EMA. Technical indicators like MACD, RSI and Stochastic seem to favor the bears. Volume declined while open interest increased on Thursday. Market should continue its bearish trend on Friday also.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	1235	1225	1258.2	1290	1305

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX November contract near 1256, T1-1246, and stop loss above 1261.

SPOT MARKET PRICES

Centers	Market	26.10.06	25.10.06	Change	Arrivals (Bags)
Indore	Plant	1220-1230	1210-1230	0	10,000 - 20,000 Indore 4,00,000 to 5,00,000 - MP
Indore	Mandi	1160-1180	1160-1180	0	
Maharashtra	Plant	1220	1220	0	2,50,000 to 3,00,000
Maharashtra	Mandi	1105-1110	1050-1100	+10	
Kota	Plant	1210-1220	1215-1220	0	20,000 to 25,000 -Kota 75,000 - 1,00,000 Rajasthan
Kota	Mandi	1150-1185	1160-1180	+5	

MUSTARD

SPOT MARKETS:

Rates for mustard seeds improved marginally in Jaipur and Alwar on account of improved demand. Millers have been procuring seed stocks on account of projected decline in mustard seed production. Restricted selling from stockiest was also seen as one of the factors for a marginal hike in rates at spot market. Other mandis showed steady sentiments.

FUTURES MARKETS:

On the NCDEX, mustard seed futures exhibited improved sentiments on continued buying support. However, higher levels could not sustain due to profit booking. But overall, mustard seed sentiments remained slightly bullish. Speculative buying over reduced sown area under mustard seed this Rabi season continue to give support the futures. Mustard seed futures are expected to remain positive on Friday.

PRICE DRIVERS:

1. Marginally improved domestic demand.
2. Slight improvement in fresh arrivals.
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 and bears equally dominated in the market and finally prices closed slightly above the opening prices. Candlestick formation shows indecisive behavior of the market. Prices closed above the 9-days and 18-days EMA. Technical indicators like MACD, RSI and Stochastic favor the bulls. Market should trade with positive sentiments on Friday.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	345	340	353.8	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	26.10.06	25.10.06	Change	Arrivals (Bags)
Jaipur (C)	1735-1740	1730	+10	15,000
Alwar(C)	1670-1680	1660	+20	1500-2000
Delhi(C)	1780	1770	+10	700-800
Agra(C)/Katchi Ghani	1830/4225	1830/4225	0	-
Sri Ganganagar (NC)	1485-1490	1485-1490	0	200
Kota (NC)	1150-1190	1160-1190	0	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 extended holidays till Labh Panchami. 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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