

OILSEED DAILY

OCTOBER 16, 2006

SOYBEAN

SPOT MARKETS:

Demand for soybean registered a hike in comparison to previous days estimate. Significant arrivals of soybean were reported from Maharashtra, Rajasthan and MP. Arrivals are supposed to increase further in coming days in assembly markets with increase in selling pressure from producers. In MP millers have continued procuring seed stocks from commission agents and traders, which has virtually hiked the rates at spot markets in the state. Overall spot market sentiments are likely to remain steady.

FUTURES MARKETS:

The November soybean contract at NCDEX opened firm and with initial decline maintain its bull run till noon when it started decline. The market is driven up by the firmness of soybean seeds in CBOT. Sharp gain in the crude oil prices overnight provided additional support to the market. Prices retraced back during end of the closing session reveal short covering and profit booking. The contract opened at 1250.85 and traded in the range from 1246.60 and 1260.00 and finally settled at 1253.30.

PRICE DRIVERS:

1. Mixed sentiments in spot market.
2. Steady fresh arrivals pressurizing spot market.
3. Selling pressure in futures market
4. Demand from millers.

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

Small body unfilled candlestick with long upper and lower shadow resembling spindle top formation indicating indecisiveness into the market. Stochastic is improving with wide divergence between its %K and %D line. Sharp improvement could be noticed in MACD with wide divergence. Prices closed above 9 day and 18 days EMA registering improvement in market sentiments. Volume decline while OI remains almost steady.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	1227.3	1237	1253.3	1262.8	1270.3

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX November contract above 1245, T1- near 1257.20, and stop loss at 1240.0.

SPOT MARKET PRICES

Centers	Market	14.10.06	13.10.06	Change	Arrivals (Bags)
Indore	Plant	1210-30	1210-1225	+5	2,25,000
Indore	Mandi	1180-1200	1080-1180	+20	
Maharashtra	Plant	1220	1220	0	85,000 – 1,00,000
Maharashtra	Mandi	1050-1130	1050-1150	-20	
Kota	Plant	1210-1220	1180-1200	+20	45,000 – 50,000
Kota	Mandi	1160-1170	1125-1160	+10	

MUSTARD

SPOT MARKETS

The Spot market sentiments remained steady except for a marginal hike in demand for mustard seeds from Kota and Delhi on account of regional specific demand. Arrivals were reported to follow yesterday's trend. Firmness in sentiments was supposed to be on account of low trading especially during weekends. The following weekdays would further decide the spot market sentiments.

FUTURES MARKETS:

NCDEX November contract of mustard futures opened firm at 356.40 and traded with firm note initially for an hour but sharp decline could be seen later part of the trading session. Idea in the market about huge mustard stock with NAFED and with view of strong demand results into sharp break in the mustard seed futures. The contract varied from 355.10 to 357.90 and closed at 355.40.

PRICE DRIVERS:

1. Slight improvement in 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

Long body filled candlestick with long upper shadow indicates bearish market sentiments. Stochastic is bending down indicating slackness in the market condition. MACD is moving upward with wide divergence indicating bullish sentiments likely to continue. The prices closed above the 9-day and 18 day EMA indicating bullish market sentiments. Volume decline while OI remains almost steady.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	350.1	351.8	355.4	356.6	358.3

TRADE RECOMMENDATION:

Sell NCDEX November contract below 355.20, T1- near 353.20 and stop loss at 356.0.

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

Markets	14.10.06	13.10.06	Change	Arrivals (Bags)
Jaipur (C)	1715-20	1720	0	10,000-15,000
Alwar(C)	1640-1650	1640-1650	0	700-800
Delhi(C)	1780-1790	1785	+5	400
Agra(C)/Katchi Ghani	1850/4150	1850/4150	0	-
Sri Ganganagar (NC)	1465	1460-1465	0	200-250
Kota (NC)	1530-1545	1540	+5	1200-1300

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Spot market prices for groundnut recovered marginally due to local demand. It was quoted in range of Rs 380 to 388 per 20 Kg. Arrivals followed yesterday's trend and were reported to be in range of 50 to 60,000 bags, more or less similar to previous days arrivals. Groundnut oil was reported to be quoted in a range of Rs 520-525 per 10 Kg. Current spot market sentiments are likely to catch pace after festive season as most of the old seed stocks are reported to have been used up and the off-season sentiments are likely to rule the market.

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