

OILSEED DAILY

SOYBEAN

November 1st, 2006

SPOT MARKETS:

Spot market sentiments for soybean showed mixed sentiments with slight activity noticed in Maharashtra today. Restricted selling of soybean from stockists due to remunerative prices offered for liquidating pulses is supposed to be the factor highlighting spot market prices. Arrivals are reported to be steady amidst good demand from millers and is likely to improve until it peaks up by first fortnight of November.

FUTURES MARKETS:

The November soybean contract at NCDEX opened weak decline initially with sharp gain then after on speculative buying with a view that the demand is expected to improve in near terms. After a sharp decline the market sentiments improved in later half on expectation of improvement in demands in the spot market. The contract opened at 1275.50 and traded in the range from 1271.00 and 1282.80 and finally settled at 1280.00

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

Firm unfilled candlestick with long upper and lower shadow resembling bullish market sentiments but retracement at later stages could be seen. Stochastic is improving and touched the overbought region. 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 increased slightly while OI remains almost steady.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	1255.2	1265.0	1280	1295.7	1305.3

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX November contract above 1278.60, T1-1289.6, and stop loss below 1272.60.

SPOT MARKET PRICES

Centers	Market	31.10.06	30.10.06	Change	Arrivals (Bags)
Indore	Plant	1235-1240	1235-1240	0	20,000 -25,000 - Indore 5,25,000 to 5,95,000 - MP
Indore	Mandi	1180-1215	1170-1215	0	
Maharashtra	Plant	1240-1250	1240-1245	+5	2,75,000 to 3,25,000
Maharashtra	Mandi	1170-1205	1170-1200	+5	
Kota	Plant	1240-1245	1215-1245	0	25,000 to 30,000 -Kota 1,00,000 - 1,25,000 Rajasthan
Kota	Mandi	1170-1200	1160-1210	+10	

MUSTARD

SPOT MARKETS:

Spot market sentiments continued to remain bullish today also. After the decision by Centre to maintain status quo for MSP of mustard seed, NAFED was reported to sell seed stocks [new stock] at around 1750 Rs /qt, thus registering a hike of 50 Rs in comparison to rates quoted yesterday. Thus rates quoted at spot market were over and above the MSP of mustard seeds in most of the mandis. With continuous demand from milers and stockists amidst ruling open market prices, rates remained bullish.

FUTURES MARKETS:

NCDEX November contract of mustard futures opened steady at 368.00 with slight initial decline traded with firm note on expectation of low yield on reduced acreage. High mustard seed prices in the spot market remain the supportive factor in the futures market. The increase in the selling prices by the NAFED further fuelled the market up. The contract varied from 365.60 to 373.95 and closed at 373.00

PRICE DRIVERS:

1. Slightly improved domestic demand.
2. Decrease in area for mustard crop.
3. NAFED liquidating stock over and above MSP.

WEATHER

Weather seems to be conducive for mustard crop in Rajasthan.

TECHNICALS

Long un-filled candlestick with long lower shadow and short upper shadow indicates strong bullish market sentiments. Stochastic is moving upward with wide divergence indicating further recovery. 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 increased while OI decline slightly.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	369.0	370.0	373.0	376.2	377.8

TRADE RECOMMENDATION:

Buy NCDEX November contract above 372.60, T1-374.80 and stop loss below 371.

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

Markets	31.10.06	30.10.06	Change	Arrivals (Bags)
Jaipur (C)	1800-1820	1770-1780	+40	15,000- 20,000
Alwar(C)	1750-1770	1725-1730	+40	700-800
Delhi(C)	1820-1830	1800-1810	+20	150-200
Agra(C)/Katchi Ghani	1950/4375	1925/4350	+25	-
Sri Ganganagar (NC)	1540-1550	1530-1550	0	200
Kota (NC)	1560-1590	1530-1550	+40	700-1000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Spot market sentiments showed average sentiments. Rates for groundnut seeds were quoted at Rs 388-398 per 20 Kg. Groundnut oil was quoted at 10 Rs lower and now it now stands at 510 per 10Kg. The decline noticed in Groundnut oil was largely due to decline in prices of veg oil in world market. 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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