

OILSEED DAILY

OCTOBER 23, 2006

SOYBEAN

SPOT MARKETS:

Mandis were reported to be closed on account of holidays. Rates at plants showed improvement on account of bullish sentiments for soyoil in futures market. Most of the markets would reopen after 25th of this month.

FUTURES MARKETS:

All Soybean futures continued its upward journey on good buying support. Firm soy oil sentiments also supported the soybean futures. Speculation over the review on the prevailing tariff rates and base import prices of vegetable oils by the government in coming days has fueled the futures prices. The festive demand is over and soybean harvesting is pressurizing the spot prices. Thus, it may happen that government may think over to discourage the import to improve the domestic soybean prices to benefit the farmers. It appears the only reason behind the sudden rise in the futures prices despite the supply flood in the spot market these days. Thus current trend is likely to continue on Monday also. However, some profit booking may also take place.

PRICE DRIVERS:

1. Mandis remained closed
2. No fresh arrivals reported
3. Approaching festive holidays.
4. Concern for weather.

WEATHER

Weather is normal except for light showers in some patches of Malwa region of MP.

TECHNICALS

In the November contract, chart pattern exhibit improved sentiments on speculative buying. Prices closed far above the 9-days and 18-days EMA. Technical indicators like MACD, RSI and Stochastic favor the bulls. Volume declined and open interest marginally improved on Friday. Market is expected to remain firm on Monday.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	1235	1225	1266.5	1290	1305

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX November contract near 1263, T1-1273, and stop loss below 1258.

SPOT MARKET PRICES

Centers	Market	20.10.06	19.10.06	Change	Arrivals (Bags)
Indore	Plant	1225-1230	1210-1220	+10	Not reported
Indore	Mandi	-	1130-1170	-	
Maharashtra	Plant	1225	1215-1220	+5	Not reported
Maharashtra	Mandi	-	1130-1170	-	
Kota	Plant	1200	1180-1200	0	Not reported
Kota	Mandi	-	1130-1170	-	

MUSTARD

SPOT MARKETS:

The markets were reported to be closed on account of ensuing holidays. Most of the markets would reopen after 25th of this month. NAFED was reported to sell mustard seed stock at @ of Rs 1590 and Rs 1515 per qt for new and old stock respectively. Though festive demand is said to be over by now, millers are procuring seed stock from NAFED on account of ensuing holidays.

FUTURES MARKETS:

On the NCDEX, mustard seed futures exhibited volatile movement throughout the day but by the closing bell most of the contracts settled with bullish sentiment on declining interest towards mustard sowing this rabi season in the major growing areas like Rajasthan. Thus hinting towards reduced sown area and consequently lesser production. However, on the back of overall bullish sentiments of the veg oil complex, mustard seed futures is likely to further improve on Monday.

PRICE DRIVERS:

1. Mandis remained closed.
2. No fresh arrivals reported.
3. Impact of approaching festive season.
4. Selling pressure from producers.

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 shows that bulls and bears equally remained active throughout the day but in the last due to selling pressure, prices slightly declined. Volume and open interest slightly declined on Friday. Prices closed below the 9-days and 18-days EMA. MACD, RSI and Stochastic are hinting towards weak sentiments. However, keeping in mind the overall bullish sentiment in the veg oil complex, this contract is also expected to remain firm on Monday.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	345	340	351.50	358	360

TRADE RECOMMENDATION:

Buy NCDEX November contract near 350, T1-352 and stop loss below 349.00.

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

Markets	20.10.06	19.10.06	Change	Arrivals (Bags)
Jaipur (C)	-	1715	-	Not reported
Alwar(C)	-	1650-1660	-	Not reported
Delhi(C)	-	1770	-	Not reported
Agra(C)/Katchi Ghani	-	1850/4225	-	Not reported
Sri Ganganagar (NC)	-	1475	-	Not reported
Kota (NC)	-	1520-40	-	Not reported

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

No fresh arrivals were reported in the market on account of holidays. Rates for groundnut oil was reported to scale down on account of limited buying support. It was quoted at 505 Rs per 10Kg, 10 Rs down in comparison to yesterday's rates. Arrivals for groundnut 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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