

OILSEED DAILY

OCTOBER 20, 2006

SOYBEAN

SPOT MARKETS:

Spot market sentiments improved to a certain level in comparison to previous days trend. Arrivals were reported to scale down, as few of the markets remained closed on account of Dhanteras. Weather was one of the pressing concerns for traders as light showers in Malwa region was said to affect arrivals in coming days. On account of the above stated concern a virtual hike in rates was observed across the major mandis, which is likely to settle back as weather improves and arrivals increases in due course of time.

FUTURES MARKETS:

All Soybean futures turned bullish on good buying support on the prevailing lower levels. Further, there is a rumor in the market that there may be a review on the prevailing tariff rates and base import prices of vegetable oils in the line with world market price scenario which are bullish these days. However, spot prices will continue to keep a check on the futures prices and sharp upward correction is not expected. However, the current rally may further continue on Friday also.

PRICE DRIVERS:

1. Only few markets remained open on account of Dhanteras.
2. Steady arrivals.
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 shows continuation of the bearish trend. Prices closed above the 9-days and 18-days EMA. The divergence between DAV and MACD is declining giving bearish signal. RSI also hints for weak sentiments. Although, Stochastic still favors the bulls. Volume and open interest declined on Wednesday. Market is expected to remain weak on Thursday.

Soya Bean 0611(NCSOYX6)2006/10/19 - Daily B:1258.00 A:12
O 1239.90 H 1260.00 L 1237.80 C 1258.00 V 29,680 I
EMA(9) 1240.3 (18) 1238.6 PAR(14) 1213.25



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	1225	1215	1258	1270	1275

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX November contract near 1255, T1-1265, and stop loss below 1250.

SPOT MARKET PRICES

Centers	Market	19.10.06	18.10.06	Change	Arrivals (Bags)
Indore	Plant	1210-1220	1200-1215	+5	1,00,000-1,50,000 [MP]
Indore	Mandi	1130-1170	1130-1160	+10	7000-8000 - Indore
Maharashtra	Plant	1215-1220	1215	+5	1,00,000-1,50,000
Maharashtra	Mandi	1130-1170	1140-1150	+20	
Kota	Plant	1180-1200	1195-1200	0	90,000 [Rajasthan]
Kota	Mandi	1130-1170	1125-1160	+10	20,000-25,000 Kota

MUSTARD

SPOT MARKETS:

The market sentiments remained firm without major change in rates and arrivals of commodities. Mustard seed is said to be available in enough quantity with traders for crushing and meal production. Since NAFED happens to be a nodal agency for procuring and liquidating mustard stock, no significant change was observed in spot market sentiments unless any new demand for meal and oil generates in domestic and overseas market.

FUTURES MARKETS:

On the NCDEX, mustard seed futures followed the positive sentiments of the soybean and soy oil. Further, this week saw sharp decline in the mustard seed prices and the most active November contracts touched its lowest level till yesterday. Today's improved veg oil sentiments provoked the speculators for buying at these lowest levels. Further, government estimates hints towards reduced sown area under mustard this year till date, which also provided strength to the mustard seed futures. Further improvement is expected in the November contract on Friday.

PRICE DRIVERS:

1. Steady physical demand.
2. Just enough liquidation from NAFED.
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 some confidence among the buyers after a sharp depression phase. Volume and open interest slightly declined on Thursday. However, prices closed below the 9-days and 18-days EMA. RSI shows some sign of improvement while MACD and Stochastic favour the bears. Bullish trend is expected to continue on Friday also.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	345	340	351.70	358	360

TRADE RECOMMENDATION:

Buy NCDEX November contract near 351, T1-353 and stop loss below 350.00.

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

Markets	19.10.06	18.10.06	Change	Arrivals (Bags)
Jaipur (C)	1715	1715-1720	-5	10,000
Alwar(C)	1650-1660	1650-1660	0	400-600
Delhi(C)	1770	1780	-10	600
Agra(C)/Katchi Ghani	1850/4225	1850/4225	0	-
Sri Ganganagar (NC)	1475	1470	+5	150
Kota (NC)	1520-40	1520-1540	0	1000-1100

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Spot market sentiments remained nearly firm with slight decline in rates of groundnut oil. Groundnut seed was quoted at Rs 380 -385 per 10 Kg whereas groundnut oil was quoted at 510 to 515 Rs per 20 Kg. Arrivals were reported to be in a tune of 45,000 to 55,000 bags. Supply pressure is likely to increase by first fortnight of November, by then enough demand generated from animal feed industry would add to improvement in spot market sentiments in Gujarat [Saurashtra]. With approaching Deepawali demand for substitute oil is said to have scaled down the rates for groundnut oil to a marginal extent.

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