

## OILSEED DAILY

OCTOBER 30, 2006

### SOYBEAN

#### SPOT MARKETS:

Spot market sentiments for soybean strengthened due to firm support from soy futures in the world market. Millers are building up stocks of soybean due to estimated increase in consumption of edible oil and good potential for soymeal in domestic and world market. Amidst slightly good arrivals and better domestic demand from millers and stockists alike, rates scaled up marginally across the mandis.

#### FUTURES MARKETS:

Soybean futures on the NCDEX opened with positive sentiments and witnessed high volatility throughout the trading day on Saturday. Speculative buying kept the prices high and most of the soybean futures closed far above their opening level. Market is expected to behave in the same fashion on Monday. The trading at the NCDEX had to halt for two times on Technical reasons on Saturday with out any prior notice, which help spreading several rumors in the market whole day and some futures traders suffered heavy losses. So, far as the soybean futures is concerned, it must improve as its substitute i.e. mustard seed is also seeing firm demand these days. Further, soy oil futures are also bullish.

#### PRICE DRIVERS:

1. Steady arrivals.
2. Increase in demand from millers & stockists.
3. Custom duty for palm to remain unchanged.
4. Improved soy oil sentiments in futures market.

#### WEATHER

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

#### TECHNICALS

In the November contract, chart pattern exhibit doji formation, which reflect volatile and indecisiveness in the market. The closing prices remains above the 9-days and 18-days EMA. Technical indicators like MACD, and RSI favors the bulls. Stochastic seem to hint towards steady sentiments. Volume and open interest declined on Saturday.



#### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	1240	1230	1267.8	1292	1305

#### TRADE RECOMMENDATION: (Intraday)

Buy NCDEX November contract near 1265, T1-1275, and stop loss below 1260.

#### SPOT MARKET PRICES

Centers	Market	28.10.06	27.10.06	Change	Arrivals (Bags)
Indore	Plant	1220-1235	1220-1230	+5	15,000 - 25,000 Indore 4,25,000 to 4,85,000 - MP
Indore	Mandi	1170-1205	1160-1180	+25	
Maharashtra	Plant	1240-1245	1230-1240	+5	1,50,000 to 2,25,000
Maharashtra	Mandi	1170-1200	1180-1200	0	
Kota	Plant	1215-1235	1210-1225	+10	40,000 to 50,000 -Kota 1,00,000 - 1,25,000 Rajasthan
Kota	Mandi	1210-1220	1175-1200	+20	

## MUSTARD

### SPOT MARKETS:

Spot market sentiments remained bullish. An interplay of several factors accounted for the above stated trend. As per CACP recommendation to Cabinet Committee on Economic Affairs, MSP for wheat is likely to hike by Rs 100 and at the same time rapeseed would probably decline to open market price of Rs 1600/qt. This further strengthens the producer's outlook for shift in acreage from rapeseed to wheat and other remunerative crops. The above stated factors prompted millers to build up hefty stocks to adjust for any future demand, which is rightly reflected on spot prices.

### FUTURES MARKETS:

On the NCDEX, mustard seed traded with highly bullish sentiments on speculative buying on strong buying support in whole vegetable oil complex. Further, sown area reduction in mustard crop this Rabi season is stimulating the futures traders to buy the later month contracts at the prevailing prices. The future is expected to remain firm in the coming days.

### PRICE DRIVERS:

1. Slightly improved domestic demand.
2. Limited arrivals.
3. Acreage likely to shift from rapeseed..

### WEATHER

Weather seems to be conducive for mustard crop in Rajasthan.

### TECHNICALS

On the NCDEX, in November contract, chart pattern shows that prices opened far above the previous close level and finally due to good buying support prices closed with a positive note. EMA remains far below the closing prices. All the technical indicators like MACD, RSI and Stochastic favor the bulls. Market should trade with positive sentiments on Monday.



### SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	352	350	359.2	365	370

### TRADE RECOMMENDATION:

Buy NCDEX November contract near 357, T1-359 and stop loss below 356.

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

Markets	28.10.06	27.10.06	Change	Arrivals (Bags)
Jaipur (C)	1755-1760	1740-1750	+10	8000- 10,000
Alwar(C)	1690-1700	1680-1690	+10	1000-1200
Delhi(C)	1780-1790	1780	+10	300-500
Agra(C)/Katchi Ghani	1870/4500	1860/4425	+10	-
Sri Ganganagar (NC)	1515-1520	1505-1510	+10	200
Kota (NC)	1540-1545	1530-1540	+5	10,000 - 20,000

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET

Spot market sentiments improved marginally on account of good prospects of oil in International markets. Rates for groundnut seeds were quoted at Rs 382 per 10 Kg slightly higher by 2 Rs from previous price. Groundnut oil was quoted at 5 Rs higher than one quoted yesterday. It now stands at 510 per 10Kg. Arrivals remained steady to a tune of 1.25 to 1.3 lakh bags Arrivals for groundnuts is likely increase 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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