

OILSEED DAILY

OCTOBER 11, 2006

SOYBEAN

SPOT MARKETS:

A noted increase in arrivals of soybean was reported from MP whereas the arrivals for Rajasthan and Maharashtra remained stagnant due to bearish spot market sentiments. Traders in Rajasthan are procuring fresh stock of soybean although crushing is expected to catch pace gradually. An increase in prices of soybean in international market in addition to export demand for soy meal is likely to set up an upper limit for rates of soybean seeds in near future. The fresh stock of available seeds in Maharashtra is said to contain high level of moisture which has made traders and manufacturers are found to be reluctant to procure the seed stock which is sighted as one of the probable reasons for prevailing spot market sentiments in the state.

FUTURES MARKETS:

The November soybean contract at NCDEX opened firm and traded with firm note initially till noon closely following the firmness in overseas market. Speculative buying on the idea of improving international prices and buying interest results into improvement into the sentiments of soybean. Sharp break in the later part of the trading session would be due to short covering and in combination the prices remain in tandem with the falling crude oil prices in the international market. Some demand from the millers could be seen supporting the prices up but still lacking strong buying on high moisture content of seeds. The contract opened at 1224.00 and traded in the range from 1221.00 and 1230.90 and finally settled at 1230.50.

PRICE DRIVERS:

1. Moderate sentiments in spot market.
2. Huge fresh arrivals pressurizing spot market.
3. Selling pressure in futures market

TECHNICALS

Un-filled long bodied Candlestick indicates improved market sentiments. Stochastic continue to head northwards indicating firmness likely to continue. MACD is improving and divergence is increasing after bullish cross over. Prices closed between 9 day and 18 days EMA indicating indecisive market sentiments. Volume increased while OI remains almost steady.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	1215.2	1221.4	1230.5	1238.7	1245.8

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX November contract above 1227.0, T1- near 1235.0, and stop loss at 1223.0.

SPOT MARKET PRICES

Centers	Market	10.10.06	09.10.06	Change	Arrivals (Bags)
Indore	Plant	1190-1210	1190-1210	0	1,00,000
Indore	Mandi	1150-1170	1170-90	-20	
Maharashtra	Plant	1240	1260	-20	10-12,000
Maharashtra	Mandi	1190-1210	1210-1220	-10	
Kota	Plant	1180-1190	1185-1200	-10	6000
Kota	Mandi	1165-1190	1170-80	+10	

MUSTARD

SPOT MARKETS

The consumptive demand for mustard in Delhi is supposed to have increased the rates though the hike observed was marginal. With an increase in pace of crushing in following days; rates for conditional seeds are likely to ease with selling pressure from the producers end. However with the Centres decision for not altering the MSP for mustard seeds in Rajasthan has boosted the sentiments of farmers to sell the crop at better rates in the open market. The very measure is likely to affect the market sentiments in coming days. However fresh stock of mustard seeds in Rajasthan was reported to be quoted at rates higher than old available stock.

FUTURES MARKETS:

NCDEX November contract of mustard futures opened firm at 354.90 and lack lustre trade could be noticed up to the mid session. Strong improvement could be noticed on high speculative buying on approaching Diwali festival. The idea of low prevailing prices into the futures market also supported the market to finish up and can be seen as a phase of consolidation. Huge inventories continue to pressurize the market down and market is expected to trade with bearish note. The contract varied from 351.70 to 355.80 and closed at 354.75.

PRICE DRIVERS:

1. Bearish 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 un-filled candlestick indicates bullish market sentiments. Stochastic continue to improve with increasing divergence indicating firmness. Divergence is increasing between MACD and its trigger line after bullish cross over indicating firm market sentiments. The prices closed above the 9-day and 18 day EMA indicating improved market sentiments. Volume improved sharply while OI remains almost steady.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	351.6	353.4	354.75	358.5	359.8

TRADE RECOMMENDATION:

Buy NCDEX November contract above 355.0, T1- near 357.0 and stop loss at 354.0.

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

Markets	10.10.06	09.10.06	Change	Arrivals (Bags)
Jaipur (C)	1710	1710-15	-5	15,000
Alwar(C)	1640	1635-40	0	700-800
Delhi(C)	1775-1780	1765	+15	600
Agra(C)/Katchi Ghani	1825/4125	1825/4125	0	-
Sri Ganganagar (NC)	1450	1450	0	200
Kota (NC)	1490-1510	1510-30	-20	1200-1300

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

The rates for groundnut seed in Rajkot stood at Rs 395 per 20 Kg. Groundnut oil was reported to rule lower by a margin of 5 Rs and was reported to be quoted at Rs 545 per 10 Kg. Traders are of the opinion that though sufficient stocks are available but since crushing activity is set at moderate pace the consumptive demand is likely to increase gradually thus affecting the spot market sentiments. Uneven rainfall distribution and scattered sowing regions is said to have affected the arrivals of groundnuts to a larger extent thus affecting the rates of seeds and its derivatives thereof.

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