

OILSEED DAILY

OCTOBER 09, 2006

SOYBEAN

SPOT MARKETS:

Rates for soybean seemed to be range bound with a bearish tone. Despite new arrivals of soybean in MP rates showed bearish sentiments owing to moisture content of the fresh available stock. Soybean oil manufacturers in Rajasthan seem to have increased crushing of beans resulting in a marginal hike of rates in compared to previous day. The spot market sentiments in Maharashtra showed a slight improvement equally balanced off by decline in crushing activities thereof. The market sentiments are likely to improve eventually in the following weekdays.

FUTURES MARKETS:

The November soybean contract at NCDEX opened firm and decline afterwards on strong speculative selling. Strong arrivals from Maharashtra and in MP markets results into sharp break in its sentiments. The market reacted sharply on the idea of huge arrivals in the Mandi next week and glut like situation. The contract opened at 1236.50 and traded in the range from 1221.50 and 1236.50 and finally settled at 1225.10.

PRICE DRIVERS:

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

WEATHER

Weather is normal in most of the soybean growing areas in MP and MH. However, some parts are likely to receive scattered rainfall in few of the areas.

TECHNICALS

Filled long bodied Candlestick with long lower shadow indicates bearish market sentiments. Stochastic continue to head northwards indicating firmness into the market sentiments. MACD running flat but about to make bullish cross over. Prices closed below 9 day and 18 days EMA indicating weak sentiments. Volume decline while OI remains almost steady.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	1238.7	1231.3	1225.1	1215.0	1210.0

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX November contract below 1224.10, T1-1218.50, and stop loss at 1227.0.

SPOT MARKET PRICES

Centers	Market	07.10.06	06.10.06	Change	Arrivals (Bags)
Indore	Plant	1120-1230	1220-30	0	40-45,000
Indore	Mandi	1160-1200	1180-1220	-20	
Maharashtra	Plant	1260	1260-1270	-10	10-12,000
Maharashtra	Mandi	1220-1230	1200-1220	+10	
Kota	Plant	1200-1250	1185-1220	+30	5000
Kota	Mandi	1150-1175	1170-80	-5	

MUSTARD

SPOT MARKETS

Overall market sentiments seem to have improved over last weeks trading. Arrivals of mustard seed in Kota shows a marginal improvement. Bullish trend was observed for rates prevailing in Jaipur & Delhi an increase in stock of new arrivals in the coming days may create an impact on the price structure mostly depending on festive demand and available stock for liquidation. An increase in demand for mustard oil owing to festive demand is supposed to push mustard seed prices in plant at Jaipur. After declaration of new MSP for mustard at 1800/qt the end use of seed stock depends on market and farming sentiments.

FUTURES MARKETS:

NCDEX November contract of mustard futures opened firm at 352.60 increased initially for an hour and sharp decline could be notice for rest of the trading session on low demand and smoothening mustard prices by the NAFED. Weakness in other oils further provided additional support to the declining market sentiments. Hefty stock position with NAFED remains the main bearish force. Strong speculative selling keeps check on the prices and results into steep fall. The contract varied from 350.50 to 353.50 and closed at 350.80.

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

Filled long body candlestick indicates bearish engulfing pattern indicating weakness. Stochastic and MACD represents firmness. The prices remain below the 9-day and 18 day EMA indicating weakness. Volume declined while OI remains almost steady. The market at this juncture remains volatile as market lacks proper direction.



SUPPORT / RESISTANCES:

Contract	S2	S1	PCP	R1	R2
November	347	348	350.8	352.7	354

TRADE RECOMMENDATION:

Sell NCDEX November contract near 351.80, T1-349.80 and stop loss at 352.00.

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

Markets	07.10.06	0610.06	Change	Arrivals (Bags)
Jaipur (C)	1710-15	1710	+5	15,000
Alwar(C)	1640-50	1640-1650	0	700-800
Delhi(C)	1760-65	1760	+5	500
Agra(C)/Katchi Ghani	1825/4125	1825/4150	-25	-
Sri Ganganagar (NC)	1440-45	1450	-5	200
Kota (NC)	1520-60	1520-1550	+10	1300

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

The rates for groundnut seed in Rajkot stood at Rs 402 per 20 Kg a mere hike of Rs 2 similar to previous days prices. Groundnut oil was reported to rule lower by a margin of 5 Rs despite satisfactory arrivals of 40,000 bags. Crushing of nuts has increased substantially adding to the volume and cost of groundnut oil. Spot market sentiments are likely to improve in following weekdays. Rates for groundnut was observed to decline across the states owing to array of factors viz; festive season, weekend scenario etc. Most of the markets remained closed on Saturday thus giving a blurred scenario.

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