

OILSEED DAILY

May 29, 2006

SOYBEAN

SPOT MARKETS

Spot market prices decline in tandem with the previous day prices amid talk in the market about possible increase in the sowing area. If the monsoon now advances without any delay it will benefit the farmers and sowing of soybean will be over by mid-June. All the factors till now favours the good crop yields of the soybean and thereby weakness in the physical market. Physical market prices also influenced by the weakness in the futures of soybean. Mandi remain closed in MP and Maharashtra on the occasion of Amavasya.

FUTURES MARKETS:

The NCDEX June contract tried initially to regain strength but could not be able to hold its higher position for long. The contract taken a plunge to touch the days low as fund sellers dominated the session but improved later on for profit booking. The contract varied between 1312.50-1327.80 and finally settled at 1323.00.

PRICE DRIVERS:

Bullish:

1. Fast depleting seeds stocks
2. Seeds in strong hands

Bearish:

1. Pre monsoonal showers in MP
2. Weak demand of DOC for export
3. Strong rumour about abolishing Govt policies on Imported soy oil

Weather

Early arrival of Monsoon in MP may results into early sowing and thereby expecting good crop.

TECHNICALS

Doji pattern formation by the candlestick indicates the possible reversal of trend but still requires confirmation. Bullish crossover by the stochastic indicates bullish sentiments. MACD still moving in the negative zone indicating the medium term bearishness. Both volume and open interest decline indicating weakness in the market.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
June	1317.0	1315.0	1345.4	1350.0

TRADE RECOMMENDATION:

Buy above 1323.25, T1- 1330.40; T2-1338.0 and stop loss at 1319.60

SPOT MARKET PRICES

Centers	Market	27.05.06	26.05.06	Change	Arrivals
Indore	Plant	1300-1320	1310-1325	-10.00	-
Indore	Mandi	-	1255-1270	-	
Maharashtra	Plant	1350.00	1350	0	-
Maharashtra	Mandi	-	1275-1320	-	
Kota	Plant	1300-1315	1310-1320	-10.00	3000-3500
Kota	Mandi	1250-1270	1270-1280	-20.00	

MUSTARD

SPOT MARKETS

Spot market prices at various centers remain steady to range bound with slight decrease in Agra amid slackening of demand from the millers and stockists. NAFED started to sell their produce in the Punjab and will start selling to other locations in coming week. Selling price for the mustard seed by NAFED is expected to remain in between 1650-1700 this will further helped to smooth the prices by Rs. 50.0 in the spot market and give some relieve to the consumers in this era of inflation.

FUTURES MARKETS:

NCDEX June contract for mustard seeds decline on active fund selling. The market opened weak and slacken on weak demand of mustard seeds by the millers. Steep decline could be noticed in mid session but later on regain its strength. The June contract traded between 352.30-353.70 and finally ended at 353.05.

PRICE DRIVERS:

Bullish:

1. Low arrivals
2. Expected increase in demand in rainy season

Bearish:

1. Low consumer demand
2. Talk about selling of old seeds in Punjab by NAFED.

Weather

Early arrival of Monsoon is expected to have bearish impact over mustard.

TECHNICALS

Candlestick formation indicates slight indecision with the formation of Doji star at the downtrend reflecting improvement in its sentiments. Stochastic is improving upward after bullish cross over. MACD still moving in negative zone. Other indicators reflecting bearish sentiments. Volume decline slightly while open interest remain steady.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
June	351.75	349.20	355.95	356.40

TRADE RECOMMENDATION:

Buy above 352.85, T1- 354.50; T2-355.50 and stop loss at 352.00

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

Markets	27.05.06	26.05.06	Change	Arrivals
Jaipur (C)	1725-1730	1725-1730	0	2000
Alwar(C)	1670-1680	1670-1680	0	4000
Delhi(C)	1740-1745	1740-1750	0	1500
Agra(C)/Katchi Ghani	1800/4100	1890/4100	-90.00	-
Sri Ganganagar (NC)	1500	1500	0	2400-2500
Kota (NC)	1540-1570	1540-1570	0	1200

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Groundnut seed prices at the physical market remain steady while oil decline slightly from previous day level. Groundnut seed in Rajkot Mandi remain at Rs 345 per 20 kg and groundnut oil at Rs 453 per 10 kg. Overall sentiments are expected to depend on the demand and supply scenario of upcoming crop. Arrivals of seed are recorded nearly at 30000 bags in Gujarat Mandi.

Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kg)	
	27.05.06	26.05.06
Gr Kernel	--	-
Bolds 60/70	-	-
Javas 60/70	-	-
Javas 70/80	-	-
Javas 80/90	-	-

***Plus Tax / Against Form, X CST Paid, @ VAT Exempted**

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