

## OILSEED

6<sup>th</sup> May, 2006

### Soybean and Mustard Decline on GM Issue

#### TECHNICAL ANALYSIS

##### Commodity: SOYBEAN

###### Indicators

Most of the indicators indicating bearish sentiments while stochastic made bullish cross over. Open interest decreased while volume increased indicating squaring off the position.

###### Market advice:

Buy above 1320.45 targets near 1330.00 and stop loss at 1315.70.

###### Support and Resistance Levels:

The current support levels are at 1315.40 and 1310.50 marks and resistance levels are at 1335.20 and 1340.10 marks as very short term.

###### Futures market:

NCDEX futures for May contract decreased sharply on the news of postpone of government declaration on import of GM soy oil. The news flash around 12.30 and the market witnessed steep fall. The prices are expected to improve in near terms as the prices are much below the plant delivery rate.

##### NCDEX MAY SOYBEAN CONTRACT



###### Soybean Future Closing price

Contract	4.05.06	5.05.06	Chg
May	1341.00	1323.00	-18.00

###### Expected Support and Resistance Levels

Contract	Supports	Resistances
May	1315.40	1335.20
	1310.50	1340.10

##### Commodity: RAPESEED

###### Indicators

Most of the indicators indicating bearish. Open interest decline while volume increased indicating squaring off and profit booking.

###### Market advice:

Buy near 342.15, target near 344.50 and stop loss at 340.90.

###### Support and Resistance Levels:

The current support levels are at 341.30 and 340.00 marks and resistance levels are at 346.00 and 347.15.

###### Futures market:

Futures market decline on speculative selling as the traders reacted sharply on the news about postpone of government declaration up to 7<sup>th</sup> July. This will ease the shipment of GM oils from west for 2 months.

##### NCDEX MAY MUSTARD CONTRACT



###### Mustard Future Closing price

Contract	4.05.06	5.05.06	Chg
May	345.70	343.50	-2.20

###### Expected Support and Resistance Levels

Contract	Supports	Resistances
May	341.30	346.00
	340.00	347.15

## DOMESTIC MARKET COMMENTARY

### Soybean:

Soybean seeds still remain on the higher levels amid high demand from the mills and lower arrivals in the market yard. Soybean plant delivery rate in Indore remain firm, mainly on account of poor stock and good demand by the millers. Stocks are even in the strong hands and releasing with moderate pace to fetch premiums. Plant delivery rate quoted higher today at Rs. 1310-1335 + 4% VAT and Mandi rate remain range bound and varied between 1260-1300. Low arrivals observed in the market and remain in between 15000-20000 bags from MP, 20000 from Maharashtra and arrivals from Rajasthan observed at 5000-6000.

### Rapeseed/Mustard:

Prices still remain in the higher levels and observed very low arrivals due to the stocks held by the producers in anticipation of fetching premium. Steady procurement by the NAFED results into firmness into the market. Spot also get strength from the local millers who regularly procuring the seeds from the market. The prices are expected to improve in range bound fashion in the physical market in coming days. Average arrivals remain at 20000 bags.

### Status of Price & Supply of the New Crop 5.05.06

Markets	Prices Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1680	10000
Alwar(C)	1610-1615	3000
Delhi(C)	1730-1735	1500
Agra(C)/Katchi Ghani	175-1780/4075	-
Sri Ganganagar (NC)	1525	7000-8000
Kota (NC)	1500-1530	5000

### Vayda Quotes

#### Mustard futures as on 5.05.06

Spot	M	PCP	O	H	Low	Ch	C
Delhi	MY	345.7	345.4	346.0	343.9	-1.5	344.2
Delhi	AU	371.7	371.4	373.0	370.0	-1.5	370.2
Hapur	MY	354.5	355.0	355.0	353.1	-1.3	353.2
Hapur	AU	381.9	382.75	383.1	380.1	-1.5	380.4

M: Month; MY: May; AU: August

### Groundnut

Groundnut prices remain range bound in Rajkot Mandi, as the demand is decreasing and demand comes in trickle combined with the possible exemption of VAT on groundnut, which may results into steep decline in its prices. Seed decline slightly while oil remain steady in the physical market. Groundnut seed in Rajkot Mandi traded at Rs 345 per 20 kg and groundnut oil at Rs 455 + 4% VAT per 10 kg. Overall sentiments are expected to decline due to postpone of the government declaration on GM soy oil for two months. Arrivals of seed are recorded nearly at 30000 bags in Gujarat Mandi.

## CBOT

### CBOT Soy Futures Witness Choppy Trade

July Soybeans settled down 1.75 cent at \$6.0375/bushel, 5.25 cent off the high and 1.25 cent up from the low. November Soybeans settled down 3 cent at \$6.2225/ bushel, which was 1.75 cent up from the low and 4.50 cent off the high. July Soybean meal settled up \$0.4 at \$177.3/ton that was \$1.5 up from the low and \$1.2 off the high. July Soybean Oil settled down 0.41 cent at 25.31 cent/pound, 0.41 cent off the high and 0.06 cent up from the low. Weakness in the other grain markets influence the soybean market and drag the prices to the lower side. Steep fall in the prices of crude results into sharp decline in the soy oil prices amid long liquidation on the talk of weaker bio-diesel demand. Soy meal gain strength on the idea of crushing plants in some areas of Brazil have slowed or stopped operations due to a lack of soybeans because of farmer protests and closure of silos which is likely to hasten US meal demand. Weekly US export sales for soybeans remain at 182,500 metric tonnes as compared to trade expectations between 100,000-250,000. Meal sales well above the trade expectation at 126,500 metric tonnes as compared to 50,000-100,000 and oil sales remain low at 1,200 metric tonnes as compared to trade expectations between 1,000-10,000.

### CBOT Soybean Futures as on 4.05.06

Months	PCP	Open	High	Low	Change	Close
May 06	592.6	591.0	596.0	590.0	-2.0	590.6
July 06	605.4	604.0	609.0	602.4	-1.6	603.6

### LATEST WEATHER WATCH: 5.05.06

During past 24 hrs rainfall/thundershowers activity has occurred at a few places over Assam, Arunachal Pradesh, Sub-Himalayan West Bengal & Sikkim, south Tamil Nadu, Kerala and Lakshadweep and at isolated places over Chhattisgarh, Jharkhand, Gangetic West Bengal and Interior Karnataka. The day temperatures are above 42°C over Rajasthan and 40-42°C over Punjab, Haryana, Uttar Pradesh, Madhya Pradesh, Interior Maharashtra and northern parts of Andhra Pradesh. These warm conditions over the above areas are likely to continue and may increase slightly during next 2-3 days. Heat wave conditions have set in over West Rajasthan and parts of East Rajasthan. They are likely to continue and may extend into parts of Punjab, Haryana and northwest Madhya Pradesh.

Source: IMD, GOI

### Forex Rate on 5.05.06

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.88
European Union	Euro	56.94
Japan	100 Yen	39.47
United Kingdom	GBP	83.07

## Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.