

OILSEED DAILY

May 15, 2006

SOYBEAN

SPOT MARKETS

The current rates continue for soybean seeds and remain range bound on the higher levels amid high demand from the mills and decreasing arrivals in the market yard. Soybean plant delivery rate in Indore still remains on the higher side, 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.

FUTURES MARKETS:

NCDEX June contract witnessed choppy trade today and gain significantly within 5 minutes on rumor about hike in tariff value. Later on the market decline fast as there were no confirmation about the rumour. The prices are expected to be decline slightly and a correction is expected at this stage.

PRICE DRIVERS:

Bullish:

1. High domestic demand
2. Fast depleting seeds
3. Seeds in strong hands
4. Low arrivals

Bearish:

1. None

Weather

Sowing is done usually in June-July and will much depends on the monsoon.

TECHNICALS

All the indicators indicating bearish sentiments. Volume and open interest decline indicating little strength in the market.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
June	1390.00	1385.50	1430.55	1435.00

TRADE RECOMMENDATION:

Sell below 1407.00, target near 1399.45 and stop loss at 1411.00

Centers	Prices/Q	Arrivals (Bags)
Indore	(P) 1370-1380	17000-18000
	(M) 1280-1320	
Maharashtra	(P) 1365-1375	15000-18000
	(M) 1300-1320	
Rajasthan	(P) 1330-1340	500-800
	(M) 1310	

MUSTARD

SPOT MARKETS

Mustard seed improved in the physical market getting firm support from very reduced arrivals from different centers. Stockists are stocking the seeds in anticipation of getting off-season premiums. The prices are expected to remain range bound in the physical market in coming days and the fates of mustard seed prices will much depend on the procurement by stockist. Average arrivals remain at 150000 bags.

FUTURES MARKETS:

NCDEX June contract decline sharply on speculative selling. The prices initially tried to improve but later on due to lack of any confirmation regarding hike in tariff value leads to plunge the prices down. The prices are expected to remain range bound in near terms in absence of any news. But if there will be any tariff hike the prices may again shoot up.

PRICE DRIVERS:

Bullish:

1. Stocking by local stockist
2. Procurement by MNC's
3. Low arrivals

Bearish:

1. NAFED stopped procurement

Weather

Harvesting is completed in most of the region and therefore has no direct impact on the seeds.

TECHNICALS

Long filled candles indicating sharp decline prices while stochastic and MACD made a bearish cross over indicating bearish sentiments. OI increases while volume decline indicating weakness in the market. The prices are expected to decline in near terms.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
June	353.50	351.65	359.35	361.10

TRADE RECOMMENDATION:

Sell below 357.00, target near 355.00 and stop loss at 358.00

Status of Price & Supply of Mustard

Markets	Prices Rs/Qtl	Arrivals (Bags)
Jaipur (C)	1725	4000
Alwar(C)	1700-1710	2000
Delhi(C)	1765-1770	2000
Agra(C)/Katchi Ghani	1830/4100	-
Sri Ganganagar (NC)	1540	6000
Kota (NC)	1580-1620	1500

GROUNDNUT

SPOT MARKET

Groundnut prices remain steady, as the demand is decreasing and demand comes in trickle combined with the influence of weakness in soy and other oils in the market. Groundnut seed in Rajkot Mandi traded at Rs 340 per 20 kg and groundnut oil at Rs 448-450 + 4% VAT per 10 kg. Overall sentiments are expected to depend in the futures market of others oil. 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)	
	13.05.06	15.05.06
Gr Kernel	2350*	2340*
Bolds 60/70	2770*	2770*
Javas 60/70	2975*	2975*
Javas 70/80	2850*	2850*
Javas 80/90	2750*	2750*

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

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