

OILSEED DAILY

May 27, 2006

SOYBEAN

SPOT MARKETS

Prices for soybean seeds at Indore spot market decline as huge arrivals flush the market. Stagnancy of the DOC prices at various centers and weak export demand of DOC further added to its bearish note. Marginal improvement in Maharashtra and Kota could be noticed today on moderate to low arrivals. The prices are expected to improve in the physical market due to onset of Monsoon in the MP when huge seeds are required for sowing the region. Monsoon already hit the Kerala coast and likely to arrive early than due date.

FUTURES MARKETS:

Prices of NCDEX June contract decline sharply on strong rumour about abolishing rules and regulations about the import of GM soy oil by Ministry of Environment & Forests, government of India. This just spread a fire in the forest and thereby results into steep fall in the prices in futures market. But in reality the GEAC had given approval for import of GM soy oil. On an interim basis the GEAC approved the import of refined soybean oil subject to certification from the country of export that it has been derived from Roundup Ready Soybeans. In case of crude degummed soybean oil, in addition to the certification, regarding it having been derived from Round up Ready Soybean, the importer is also required to submit the analytical report from either CFTRI/NIN/Shri Ram Laboratories on the composition of crude-degummed Soybean oil both pre and post processing stage before a final view is taken. The test results should also include the pre and post refining levels of glyphosate in the oil as well as in the residue. The GEAC clearance does not exempt the importers from the requirements under PFA. Prices varied between 1347.50-1323.00 and closed at 1324.00.

PRICE DRIVERS:

Bullish:

1. Fast depleting seeds stocks
2. Seeds in strong hands
3. Rumour about possible hike in tariff on Palm oil

Bearish:

1. Moderate to heavy arrivals
2. Weak demand of DOC for export
3. Strong rumour about abolishing Govt policies on Imported soy oil

Weather

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

TECHNICALS

Long filled candles indicates the bearish sentiments into the market but based on the rumour. Stochastic approached its signal line indicating possible bullish cross over. MACD is moving in the negative zone. EMA also indicates bearish sentiments. Volume increased while open interest decline slightly.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
June	1317.5	1315.5	1344.9	1352.6

TRADE RECOMMENDATION:

Sell below 1325.00, T1- 1318.90 and stop loss at 1334.00

SPOT MARKET PRICES

Centers	Market	26.05.06	25.05.06	Change	Arrivals
Indore	Plant	1310-1325	1350	-40.00	25000-30000
Indore	Mandi	1255-1270	1270-1325	-15.00	
Maharashtra	Plant	1350	1325-1330	+25.00	20000
Maharashtra	Mandi	1275-1320	1260-1275	+15.00	
Kota	Plant	1310-1320	1310-1320	0	3000-3500
Kota	Mandi	1270-1280	1260-1280	+10.00	

MUSTARD

SPOT MARKETS

Spot prices at few location increased while at others remain range bound to decline marginally. The improvement in prices is mainly due to improvement of mustard oil prices in the spot. Expected incoming demand from Kolkatta helped to improve the sentiments into the market. Improvement in soy oil futures in the last day also helped to provide additional support to the physical market.

FUTURES MARKETS:

Strong decline in the mustard seed futures in NCDEX June contract is due to the talk in the market about possible selling of mustard seed by the NAFED in Punjab at the rate of Rs. 1650 results into steep downfall of prices into the market. However the information still needs verification. If the NAFED came into selling then the prices will remain on the lower level than expected increase in prices. The contract on Friday traded between 353.00-356.40 and finally closed at 353.50.

PRICE DRIVERS:

Bullish:

1. Good crushing demand from millers
2. Low arrivals
3. Active procurement by local millers and stockist

Bearish:

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

Weather

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

TECHNICALS

Candlestick forms bearish engulfing pattern while stochastic made a bullish cross over. MACD, RSI and %R indicates the bearish sentiment likely to continue. EMA remains in favour of bears in indicate bearish sentiments. Volumes increase while open interest decline slightly.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
June	350.00	348.50	355.15	357.30

TRADE RECOMMENDATION:

Sell below 353.15, target near 351.00 and stop loss at 354.00

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

Markets	26.05.06	25.05.06	Change	Arrivals
Jaipur (C)	1725-1730	1725-1730	0	2000
Alwar(C)	1670-1680	1640-1650	+30.00	4000
Delhi(C)	1740-1750	1735-1740	+5.00	2000
Agra(C)/Katchi Ghani	1890/4100	1810/4100	+80.00	-
Sri Ganganagar (NC)	1500	1505-1510	-5.00	2500-3000
Kota (NC)	1540-1570	1540-1570	0	1500

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Groundnut prices at the physical market remain steady as that of previous day. The Vietnam crop this year suffers and thereby needed to export seed from India. Groundnut seed in Rajkot Mandi remain at Rs 345 per 20 kg and groundnut oil at Rs 455 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)	
	26.05.06	25.05.06
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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