

**OILSEED**

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

## Soybean and Mustard Got Speculative Buying Support

### TECHNICAL ANALYSIS

#### Commodity: SOYBEAN

##### Indicators

Candlestick showing strong improvement while stochastic and MACD maintain its firm position. RSI and %R line supporting the candles and indicating bullish sentiments.

##### Market advice:

Buy above 1432.80 targets near 1440.00 and stop loss at 1429.20.

##### Support and Resistance Levels:

The current support levels are at 1414.60 and 1398.00 marks and resistance levels are at 1444.60 and 1457.30 marks as very short term.

##### Futures market:

NCDEX futures for June contract improved on speculative buying amid possible hike in tariff rate. The prices at spot improved significantly thereby supporting the futures market. It also gains strength from the futures of soy oil. Open interest and volume both increased today indicating bullish sentiments.

#### NCDEX JUNE SOYBEAN CONTRACT



##### Soybean Future Closing price

Contract	11.05.06	12.05.06	Chg
June	1402.55	1432.00	+29.45

##### Expected Support and Resistance Levels

Contract	Supports	Resistances
June	1414.60	1444.60
	1398.00	1457.30

#### Commodity: RAPESEED

##### Indicators

Wide gap opening followed by the formation of strong candlesticks indicates strength in the market but there are likely hood that the price line may move down to fill the gap. All the indicators indicating bullish sentiments.

##### Market advice:

Risk lovers can buy above 364.85, target near 367.00 and stop loss at 363.75.

##### Support and Resistance Levels:

The current support levels are at 361.50 and 358.25 marks and resistance levels are at 367.55 and 370.20.

##### Futures market:

Futures market improved significantly with a wide gap opening. Candles and most of the indicators indicating firmness in the market, open interest decline slightly while volume increases providing information about possibility of profit booking at this stage.

#### NCDEX JUNE MUSTARD CONTRACT



##### Mustard Future Closing price

Contract	11.05.06	12.05.06	Chg
June	359.55	364.80	+5.25

##### Expected Support and Resistance Levels

Contract	Supports	Resistances
June	361.50	367.55
	358.25	370.20

## DOMESTIC MARKET COMMENTARY

### Soybean:

The prices of the soybean seeds taken a giant leap amid high demand from the plants. Heavy demand of DOC and surge high in soy oil prices enhance the demand for seeds. Low arrivals of seed combined with stocks in strong hand also had a bullish impact over its prices. Plant delivery rate quoted significantly higher today at Rs. 1335-1375 + 4% VAT and Mandi rate improved and varied between 1295-1320. Arrivals remain in between 20000 bags from MP, and moderately high at 20000-25000 from Maharashtra and arrivals from Rajasthan observed at 3000-4000 bags.

### Rapeseed/Mustard:

Mustard seed improved slightly in the physical market as it is indirectly getting support from soy oil as it firm enough to keep the prices of mustard oil on upper level. Rumor about possible significant hike in the tariff value results into steep rise in the soy oil futures. Stockist are stocking the seeds in anticipation of getting off-season premiums. NAFED stopped procurement in some area from the local markets as they are finding difficulties for proper warehousing of the produce. The prices are expected to remain range bound in the physical market in coming days and the fate of mustard seed prices will much depends on the procurement by stockist. Average arrivals remain at 150000-200000 bags.

### Status of Price & Supply of the New Crop 12.05.06

Markets	Prices Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1715-1720	10000
Alwar(C)	1670	2000-2500
Delhi(C)	1750	1000
Agra(C)/Katchi Ghani	1825/4125	-
Sri Ganganagar (NC)	1500-1525	7000-8000
Kota (NC)	1550-1615	2500

### Vayda Quotes

#### Mustard futures as on 12.05.06

Spot	M	PCP	O	H	Low	Ch	C
Delhi	MY	344.0	345.0	347.3	345.0	+3.3	347.3
Delhi	AU	372.00	373.5	378.3	373.5	+6.3	378.3
Hapur	MY	354.0	355.0	357.5	355.0	+3.5	357.5
Hapur	AU	382.6	384.0	388.7	384.0	+5.9	388.5

M: Month; MY: May; AU: August

### Groundnut

Groundnut prices further improved in Rajkot Mandi, as the futures market of soy and other oil improved significantly thereby supporting the groundnut prices up. Seed and oil both improved in the physical market as it was quite related with the futures of other oils. Groundnut seed in Rajkot Mandi traded at Rs 347 per 20 kg and groundnut oil at Rs 460 + 4% VAT per 10 kg. Overall sentiments are expected to closely follow other oils and perhaps depends on the demand and supply scenario. Arrivals of seed are recorded nearly at 28000-30000 bags in Gujarat Mandi.

### Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kg)	
	11.05.06	12.05.06
Gr Kernel	2340*	2350*
Bolds 60/70	2760*	2760*
Javas 60/70	2975*	2975*
Javas 70/80	2850*	2850*
Javas 80/90	2750*	2750*

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

### CBOT

#### CBOT Soy Futures Remain Mixed

July Soybeans settled up 7 cent at \$6.13/bushel, 4 cent off the high and 11 cent up from the low. November Soybeans closed up 6 cent at \$6.3125/bushel, which was 9.75 cent up from the low and 3.75 cent off the high. July Soybean meal settled down \$0.1 at \$178.7/ton that was \$1.1 up from the low and \$2.1 off the high. July Soybean Oil closed up 1.04 cent at 26.32 cent/pound, 0.2 cent off the high and 0.77 cent up from the low. Strength in gold and copper helped to support the commodity market and thereby supporting soybean initially. Soybean oil still getting support from growing bio-diesel demand and fetching technical buying support. Fund buyers dominated the session and 2500 contracts of oil was recorded up to mid-session. Weekly US export sales for soybeans remain high at 389,800 metric tonnes as compared to trade expectations between 150,000-250,000. Meal sales remain in between the trade expectation at 64,600 metric tonnes. Soybean Oil sales remain at 1,900 tonnes compared to trade expectations between 1,000-10,000. This week strong soybean sales could be a result of protest in Brazil, which results into the disruption of supply chain.

#### CBOT Soybean Futures as on 11.05.06

Months	PCP	Open	High	Low	Change	Close
May 06	593.2	600.0	604.4	596.0	+9.4	602.6
July 06	606.0	611.0	617.0	607.4	+7.0	613.0

### LATEST WEATHER WATCH: 12.05.06

The day temperatures continue to remain above 40°C over the plains of northwest India, north Gujarat, central India, Interior Maharashtra and interior & south Coastal Andhra Pradesh which are 2-4°C above normal. Heat wave conditions continue to prevail over pockets of north Rajasthan, western Haryana and Vidarbha, where day temperatures are still above 45°C. Heat wave conditions over these areas are likely to continue. The day temperatures however are likely to remain below normal over eastern parts of the country as scattered to fairly widespread rainfall is likely to continue over the area.

Source: IMD, GOI

## Forex Rate on 12.05.06

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.05
European Union	Euro	57.98
Japan	100 Yen	40.92
United Kingdom	GBP	84.96

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