

## OILSEED DAILY

May 17, 2006

### SOYBEAN

#### SPOT MARKETS

Soybean remains range bound in most of the domestic centers with slight improvement. The prices are still on the higher levels amid high demand from the mills for crushing and decreasing arrivals in the market. Soybean plant delivery rate in Indore is 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 with steep downward fall. Later on the market recap on the news about hike in tariff on imported soy oil from \$518 to \$540 as revealed from trade sources. The prices are expected to improve based on the news in near terms.

#### PRICE DRIVERS:

##### Bullish:

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

##### Bearish:

1. Weakness in Soy futures
2. Weakness in other oils

#### Weather

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

#### TECHNICALS

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



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
June	1388.50	1379.10	1438.75	1449.55

#### TRADE RECOMMENDATION:

Buy above 1407.30, target-1 near 1417.50, target-2 near 1424.50 and stop loss at 1395.00

#### SPOT MARKET PRICES

Centers	Prices/Q	Arrivals (Bags)
Indore	(P) 1340-1370	20000
	(M) 1280-1305	
Maharashtra	(P) 1360-1365	15000-18000
	(M) 1300-1320	
Rajasthan	(P) 1335-1350	5000
	(M) 1305-1325	

## MUSTARD

### SPOT MARKETS

Mustard seed decline slightly and remain range bound at different centers. ITC, Ruchi groups etc are still procuring and hold the prices in current level. Local stockist continues to procure mustard seeds. 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 witnessed two-sided movement as the market decline sharply on absence of any news about hike in tariff rate. Later on the prices regain its strength on confirmation about the tariff hike on imported palm oil and crude soy oil. The prices are expected to improve in near terms.

### PRICE DRIVERS:

#### Bullish:

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

#### Bearish:

1. NAFED stopped procurement
2. Weak futures of soy oil

### Weather

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

### TECHNICALS

Long inverted hammer candle formation indicates the possible improvement in the prices. Other indicators indicating bearish sentiments.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
June	355.55	353.45	365.15	367.30

### TRADE RECOMMENDATION:

Buy above 359.15, target near 361.60 and stop loss at 357.90

### Status of Price & Supply of Mustard

Markets	Prices Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1720-1730	4000-4500
Alwar(C)	1660-1670	2000
Delhi(C)	1760	2000
Agra(C)/Katchi Ghani	1815/4075	-
Sri Ganganagar (NC)	1530-1535	6000
Kota (NC)	1580-1620	1500-2000

## GROUNDNUT

### SPOT MARKET

Groundnut prices remain range bound and influenced by the weakness in soy and other oils in the market. Groundnut seed in Rajkot Mandi remain steady at Rs 340 per 20 kg and groundnut oil decline at Rs 445 + 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)	
	15.05.06	16.05.06
Gr Kernel	2340*	2325*
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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