

OILSEED DAILY

May 30, 2006

SOYBEAN

SPOT MARKETS

Spot market prices decline further in most of the market amid on the news of progress of monsoon and combined with weak export demand of DOC. The oilseed productions for this kharif season will much depend on the distribution of rainfall in the production region as equitable distribution of rainfall across sub-divisions has a significant bearing on production. Bearish sentiments of futures market further weaken the prices in spot.

FUTURES MARKETS:

The NCDEX June contract decline sharply on speculative selling and touched its lowest value since last week. The futures market for oilseed and oil is quite influenced by the progress of the monsoon. Traders looking for increased area and timely planting of soybean, groundnut and other oilseeds but their production will much depend on the distribution, time and period of dry spell. IMD will issue the updated forecast by the first week of July after which the picture will be clearer for any future anticipation. The June contract traded between 1266.10-1321.00 and ended at 1276.00

PRICE DRIVERS:

Bullish:

1. Futures prices trailing below spot market

Bearish:

1. Monsoon likely to hit Goa and Maharashtra on 1st June.
2. Weak demand of DOC for export
3. Weakness in Soy and other oils

Weather

Early advances of monsoon result into early planting of soybean and expected to have good crops.

TECHNICALS

Long filled candles indicate the dominance of bears over bulls, which is further, supported different oscillators. The bearish cross over of stochastic with its signal line indicates bearishness. MACD is also moving in negative zone with a steep downward movement. Volume increased while marginal decline in OI indicates weakness into the market.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
June	1261.8	1254.0	1290.5	1297.65

TRADE RECOMMENDATION:

Sell below 1277.45, T1- 1267.70; and stop loss at 1282.00

SPOT MARKET PRICES

Centers	Market	29.05.06	27.05.06	Change	Arrivals
Indore	Plant	1290-1300	1300-1320	-10.00	30000
Indore	Mandi	1250-1270	-	-	
Maharashtra	Plant	1340.00	1350.00	-10.00	20000-25000
Maharashtra	Mandi	1270-1280	-	-	
Kota	Plant	1290-1300	1300-1315	-10.00	3000-3500
Kota	Mandi	1250-1260	1250-1270	0	

MUSTARD

SPOT MARKETS

Further weakening of prices in the spot market is due to the low demand of mustard oil in the market combined with the fact of selling seeds by the NAFED in various locations probably from the 1st week of June. NAFED is planning for disposal of the procured mustard and expected to dispose about 2 lakh tonne per month. 50, 000 tonne will be used to produce oil by the mills hired by NAFED. The sentiments further weaken by the advances of monsoon as it is expected to hit Goa and Mumbai in 1st of June.

FUTURES MARKETS:

Steep decline of prices could be noticed in the futures market on the news about selling mustard seeds in the Mandi on open auction probably at a rate of 1650-1700. Monsoon had bearish impact over the mustard futures. The June contract varied between 346.50-352.20 and closed at 347.30.

PRICE DRIVERS:

Bullish:

1. Low arrivals
2. Expected increase in demand in rainy season

Bearish:

1. Low consumer demand
2. NAFED to sell 2 lakh ton per month.

Weather

Early arrival of Monsoon is expected to have bearish impact over mustard.

TECHNICALS

Red filled long candlesticks indicate strong bearish sentiments into the market. Bearish cross over by the stochastic with its signal line further support the bears but moving in oversold region. MACD continue to slide on its downtrend in negative region therefore traders are advised to trade cautiously. Volume increased significantly while OI decline indicating weakness.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
June	345.10	342.85	351.60	353.60

TRADE RECOMMENDATION:

Sell below 348.60, T1- 346.50; and stop loss at 349.50

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

Markets	29.05.06	27.05.06	Change	Arrivals
Jaipur (C)	1705-1710	1725-1730	-20.00	2000
Alwar(C)	1670	1670-1680	0	3000-4000
Delhi(C)	1740-1745	1740-1745	0	1500
Agra(C)/Katchi Ghani	1780-1790	1800/4100	-20.00	-
Sri Ganganagar (NC)	1500	1500	0	1500
Kota (NC)	1530-1560	1540-1570	-10.00	1200

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Groundnut seed and oil prices at the physical market decline from previous day level on weak demand and favourable weather condition for groundnut planting as the monsoon is expected to arrive early. Groundnut seed in Rajkot Mandi remain at Rs 342 per 20 kg and groundnut oil at Rs 450 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)	
	29.05.06	27.05.06
Gr Kernel	2350*	--
Bolds 60/70	2800*	-
Javas 60/70	3000*	-
Javas 70/80	2900*	-
Javas 80/90	2775*	-

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

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