

OILSEED DAILY

June 1, 2006

SOYBEAN

SPOT MARKETS

Spot market further decline in various centers amid expectation of good crop this year. Advancement of monsoon to new locations in Maharashtra has a bearish impact on the market. Traders are trading with bearish psychology on the advancement of Indian monsoon. Expected low MSP for soybean also likely to hit the market. Huge arrivals in the various mandis this time further pressurized the market down.

FUTURES MARKETS:

NCDEX June contract showed firmness initially and fetch highest value near 11.00 am on the news of probable tariff hike on imported soy oil. But later on in absence of confirmation the market bounced back near its opening and the market moved in constricted zone. Later part of the market responded to decrease in tariff on palm oil and ignored the news on hike in tariff on crude soy oil. The market varied between 1277.00-1292.00 and finally settled at 1281.00.

PRICE DRIVERS:

Bullish:

1. Tariff hike on imported crude soy oil

Bearish:

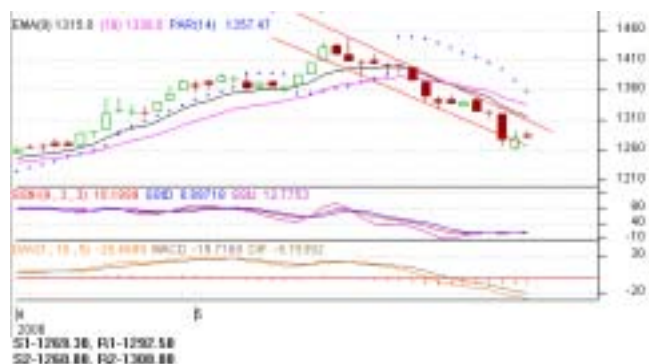
1. Marginal reduction of tariff value on imported palm oil.
2. Weak demand of DOC for export
3. Low demand by the plants

Weather

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

TECHNICALS

Small red body formation by the candlestick with long upper shadow indicates indecisiveness into the market. Channel line drawn indicated no break in the bearish trend. Stochastic shows little improvement as %K line is moving upward after bullish crossover with %D-line in oversold region. MACD is moving in the negative zone indicating possible recovery. Volume decline while open interest remain range bound.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
June	1269.0	1260.8	1292.5	1308.8

TRADE RECOMMENDATION:

Buy above NCDEX June contract above 1282.30, T1-1291.90; and stop loss at 1277.50

SPOT MARKET PRICES

Centers	Market	31.05.06	30.05.06	Change	Arrivals
Indore	Plant	1270-1280	1260-1280	-10.00	30000
Indore	Mandi	1190-1200	1200-1240	-10.00	
Maharashtra	Plant	1310	1310	0	15000
Maharashtra	Mandi	1250-1280	1250-1280	0	
Kota	Plant	1270-1280	1280-1290	-10.00	3500-4000
Kota	Mandi	1240-1250	1260-1270	-20.00	

MUSTARD

SPOT MARKETS

The prices of the mustard seeds remain range bound in most of the centers in absence of any fresh news. No fresh demand by the millers combined with low demand of mustard oil results into the lower prices of mustard seeds into the market. Low prices of other oils further weaken the sentiments of mustard oil. The prices are expected to remain range bound in near term unless the demand of mustard oil rekindles.

FUTURES MARKETS:

Market initially taken a firm note and witnessed improvement in sentiments as the market is going in the over sold region. But active fund selling dominated the session amid lack of demand of mustard oil and low buying interests among the traders. The prices at futures market varied between 345.00-347.50 and finally closed at 345.80.

PRICE DRIVERS:

Bullish:

1. Low arrivals

Bearish:

1. Low demand from Punjab
2. NAFED to sell 2 lakh ton per month.
3. Weak mustard oil demand

Weather

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

TECHNICALS

Doji formation by the candlesticks reveals indecisiveness in the market. %D line moving above %K line after making bearish crossover thereby stochastic indicates bearish sentiments. Widening gap between the MACD with its trigger line indicates bearish trend likely to continue. Volume decreased while open interest remains steady. Overall sentiments look bearish. Trade with caution.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
June	342.80	340.55	349.00	351.75

TRADE RECOMMENDATION:

Sell NCDEX June contract below 347.00, T1- 344.80; and stop loss at 348.10

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

Markets	31.05.06	30.05.06	Change	Arrivals
Jaipur (C)	1700-1705	1700	0	1500
Alwar(C)	1650	1650	0	2500-3000
Delhi(C)	1740	1735	+5.00	1500
Agra(C)/Katchi Ghani	1770-1775	1765-1770/4000-4025	+5.00	-
Sri Ganganagar (NC)	1475	1490-1520	-15.00	2000
Kota (NC)	1520-1550	1525-1550	-5.00	2000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Groundnut seed prices at the physical market remain range bound on weak demand and favourable weather condition for groundnut planting as the monsoon hit the Colaba in Mumbai. 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 25000 bags in Gujarat Mandi.

Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kg)	
	31.05.06	30.05.06
Gr Kernel	2360*	2350*
Bolds 60/70	2810*	2800*
Javas 60/70	3020*	3000*
Javas 70/80	2925*	2925*
Javas 80/90	2825*	2825*

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

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