

OILSEED DAILY

May 26, 2006

SOYBEAN

SPOT MARKETS

Sentiments remain mixed in the physical market at different centers. Prices at Maharashtra decline while at Kota the Mandi rate decline marginally. Plant rate at Indore witnessed slight improvement amid improvement in the soy and other oil prices in the physical market. Prices further got support from the improvements of soybean seeds futures.

FUTURES MARKETS:

Prices at NCDEX June contract opened weak with a gap and later on filled the gap and surge high. The improvement in the prices was basically due to the rumour in the market about possible tariff hike on Palm oil. Talk in the market about the statement of Agricultural minister about tariff hike in palm oil lifted the market up. Improvement in the futures of soy oil further provided underlying support. The June contract traded between 1331-1344 and finally settled at 1341.40.

PRICE DRIVERS:

Bullish:

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

Bearish:

1. Moderate to heavy arrivals
2. Weak demand of DOC for export

Weather

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

TECHNICALS

Strong unfilled candle reflect bullish sentiments into the market. Stochastic in turning up indicating possible bullish cross over. MACD is also improving indicating positive sentiments. %R line and RSI indicates improvement in the market sentiments. Volume increased and open interest remain steady.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
June	1329.75	1320.30	1368.70	1374.60

TRADE RECOMMENDATION:

Buy above 1341.00, T1- 1352.00; T2-1360.00 and stop loss at 1334.50

SPOT MARKET PRICES

Centers	Market	25.05.06	24.05.06	Change	Arrivals
Indore	Plant	1350	1315-1325	+35.00	20000
Indore	Mandi	1270-1325	1270-1275	0	
Maharashtra	Plant	1325-1330	1350	-25.00	20000
Maharashtra	Mandi	1260-1275	1290-1320	-30.00	
Kota	Plant	1310-1320	1310-1320	0	3500-4000
Kota	Mandi	1260-1280	1270-1280	-10.00	

MUSTARD

SPOT MARKETS

Mustard seed prices at few centers witnessed improvement while others centers recorded slight decline in the sentiments. Improvement of mustard oil at Kota, Mumbai, and other locations helped to support the seeds in the physical market. Mustard seeds also got strength from the improvement in groundnut seeds and oil. Increased demand of Katchi Ghani provides additional support to the mustard seeds.

FUTURES MARKETS:

Mustard seed of June contract opened weak and declined initially. Improvement in the other oils particularly in mustard oil the prices are started to improve. Marked improvement could be seed as the rumour spread into the market about possible hike in tariff rate on palm oil. The mustard seed futures varied between 353-356 and finally settled at 355.50.

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

Weather

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

TECHNICALS

Long unfilled candle reflects the dominance of bulls over bears and improved market sentiments. Stochastic in bending towards its signal line indicating possible bullish cross over. MACD is also improved at the negative zone and turning towards trigger line. Volume decreased while open interest remain steady.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
June	353.40	352.50	358.20	359.70

TRADE RECOMMENDATION:

Buy above 355.15, target near 357.35 and stop loss at 354.20

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

Markets	25.05.06	24.05.06	Change	Arrivals
Jaipur (C)	1725-1730	1725-1730	0	3500-4000
Alwar(C)	1640-1650	1670-1680	-30.00	2000-3000
Delhi(C)	1735-1740	1740	-5.00	1000
Agra(C)/Katchi Ghani	1810/4100	1780/4100-4125	+30.00	-
Sri Ganganagar (NC)	1505-1510	1500	+5.00	3500-4000
Kota (NC)	1540-1570	1535-1565	+5.00	2000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Groundnut prices at the physical market improved significantly on the news of export demand of groundnut seed from Vietnam. 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)	
	25.05.06	24.05.06
Gr Kernel		2320*
Bolds 60/70		2800*
Javas 60/70		2975*
Javas 70/80		2875*
Javas 80/90		2775*

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

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