

OILSEED DAILY

May 23, 2006

SOYBEAN

SPOT MARKETS

Physical market of the soybean decline slightly today owing to sluggish demand from the plants, as they are not getting parity for crushing at this high rate. Weak export demand of DOC due to high prices added further to its bearish tone. Weakness in the soy oil in particular and other oil in general further added to its bearish tone.

FUTURES MARKETS:

Steep fall in NCDEX June contract was witnessed on Monday owing to weak demand of DOC from the export front. Later on the market recap as the prices went below the physical market rate. The contract ranged between 1351.30-1398.00.

PRICE DRIVERS:

Bullish:

1. Fast depleting seeds stocks
2. Seeds in strong hands
3. Low arrivals

Bearish:

1. Weakness in Soy futures
2. Weakness in other oils
3. Low demand from Vanaspati industry
4. Weak demand of DOC for export

Weather

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

TECHNICALS

Candlestick formation indicates bearish sentiments while lower shadow on the later part indicates profit booking stage. All the oscillators indicating bearish sentiments. Volume increased while open interest decline indicating weakness in the market.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
June	1330.00	1317.00	1374.00	1389.00

TRADE RECOMMENDATION:

Sell below 1350.00, target near 1340.00 and stop loss at 1355.00

SPOT MARKET PRICES

Centers	Market	22.05.06	20.05.06	Change	Arrivals
Indore	Plant	1330-1350	1340-1350	-10.00	35000-40000
Indore	Mandi	1260-1290	1290-1310	-30.00	
Maharashtra	Plant	1360	1370	-10.00	20000-25000
Maharashtra	Mandi	1280-1330	1300-1330	-20.00	
Rajasthan	Plant	1315-1320	1320-1330	-5.00	3500
Rajasthan	Mandi	1270-1275	1280-1290	-10.00	

MUSTARD

SPOT MARKETS

Mustard seed at physical market decline on weak demand from retail end. Weakness in the soy oil and other oil market also pull down the mustard seed prices. The mustard seed further slipped to the lower side as there is no major buyers in the market, as almost all the MNC's had stocked enough seeds at their disposal. The seed prices at the spot are expected to remain range bound at lower levels until others oils improved.

FUTURES MARKETS:

NCDEX June contract opened with a wide gap and then tried to recap the gap on low demand from the retailer end. Low soy oil futures and weakness in mustard oil results into the weakness in the mustard seed as well. The June contract ranged between 361.00-364.00 and finally settled at 363.55

PRICE DRIVERS:

Bullish:

1. Good crushing demand from millers
2. Low arrivals

Bearish:

1. Low consumer demand
2. Weakness in soy oil and other oil futures

Weather

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

TECHNICALS

Candlesticks indicating inverted hammer formation on the downtrend indicating prices to recover in near term. Other oscillators indicate bearish sentiments. Volume and OI remain almost steady with slight decline. All the indicators indicating prices likely to recover in near term.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
June	351.80	350.00	359.60	361.20

TRADE RECOMMENDATION:

Buy above 355.10, target near 357.20 and stop loss at 353.00

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

Markets	22.05.06	20.05.06	Change	Arrivals
Jaipur (C)	1720-1725	1735-1740	-15.00	4000
Alwar(C)	1640-1650	1680-1690	-40.00	4000
Delhi(C)	1740	1760	-20.00	2500
Agra(C)/Katchi Ghani	1780-1790/4075-4100	1840/4125	-60.00	-
Sri Ganganagar (NC)	1500	1510-1515	-10.00	4000
Kota (NC)	1540-1560	1560-1600	-20.00	1500

GROUNDNUT

SPOT MARKET

Groundnut also decline in tandem with soy oil and mustard seed as there were meager demand of edible oil in the physical market. Groundnut seed in Rajkot Mandi remain at Rs 341 per 20 kg and groundnut oil at Rs 448 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)	
	22.05.06	20.05.06
Gr Kernel	2300*	2310*
Bolds 60/70	2775*	2770*
Javas 60/70	2975*	3000*
Javas 70/80	2900*	2900*
Javas 80/90	2775*	2800*

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

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