

## OILSEED DAILY

May 19, 2006

### SOYBEAN

#### SPOT MARKETS

Soybean seed prices remain range bound in most of the domestic centers with slight improvement. High crushing demand from plants combined with high export demand results into the firm position of seeds. 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 decline initially on speculative selling and short covering. The contract fell sharply initially and later on tried to improve. No strong bullish news results into restricted trade and the contract ranged between 1386.00-1405.95 and finally settled at 1399.90. The market is expected to recover in near terms.

#### PRICE DRIVERS:

##### Bullish:

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

##### Bearish:

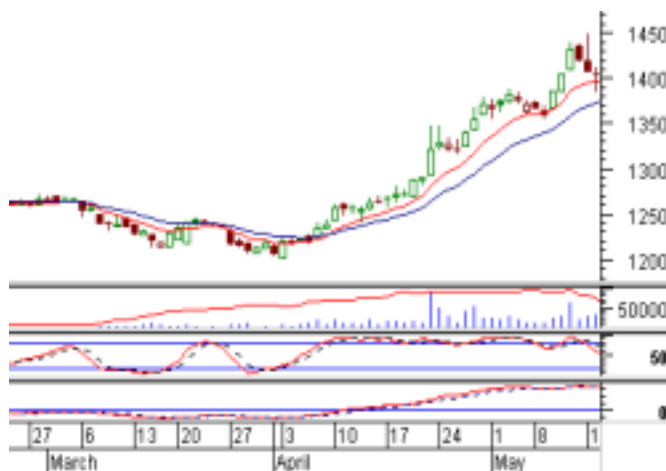
1. Weakness in Soy futures
2. Weakness in other oils

#### Weather

Sowing is done usually in June-July and will

#### TECHNICALS

Candlesticks showing inverted hammer formation indicating prices likely to recover. Other oscillators indicating bearish sentiments. Both volume and OI decline slightly.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
June	1386.00	1379.00	1420.20	1427.55

#### TRADE RECOMMENDATION:

Buy above 1397.20, target-1 near 1410.00, target-2 near 1415.00 and stop loss at 1389.00

#### SPOT MARKET PRICES

Centers	Prices/Q	Arrivals (Bags)
Indore	(P) 1350-1370	20000-25000
	(M) 1275-1300	
Maharashtra	(P) 1340-1380	10000-15000
	(M) 1320-1330	
Rajasthan	(P) 1330-1335	5000
	(M) 1305-1310	

## MUSTARD

### SPOT MARKETS

Mustard seed improved significantly in different centers amid high demand of Kacchi Ghani oil from Kolkata. Reduced arrivals of seeds into the Mandi further added to its firmness. ITC, Ruchi groups etc are still procuring and hold the prices in high 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 opened weak and tried to improve initially but speculative selling results into fall in prices in initial hours. Later on the prices tried to recoup from the current situation and finally settled near today's opening. The prices are expected to improve in near terms.

### PRICE DRIVERS:

#### Bullish:

1. High demand of Kacchi Ghani Oil
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

Spinning top formation by candlestick reveals indecision in the market with improving sentiments. Other indicators indicating slight improvements. Volume and OI decline hinting weakness in market.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
June	356.70	355.00	361.00	362.20

### TRADE RECOMMENDATION:

Buy above 357.90, target near 360.00 and stop loss at 356.80

### Status of Price & Supply of Mustard

Markets	Prices Rs/Qtl	Arrivals (Bags)
Jaipur (C)	1735-1740	4000
Alwar(C)	1690-1700	4000
Delhi(C)	1775	1500
Agra(C)/Katchi Ghani	1840/4125-4150	-
Sri Ganganagar (NC)	1525-1540	2500-3000
Kota (NC)	1570-1620	2000

## GROUNDNUT

### SPOT MARKET

Groundnut hovered around the same level as that of the previous day and remains range bound. Groundnut seed in Rajkot Mandi improve slightly at Rs 343 per 20 kg and groundnut oil improve at Rs 450 + 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)	
	17.05.06	18.05.06
Gr Kernel	2325*	2325*
Bolds 60/70	2770*	2770*
Javas 60/70	2975*	3000*
Javas 70/80	2850*	2900*
Javas 80/90	2750*	2800*

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

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