

## OILSEED DAILY

May 25, 2006

### SOYBEAN

#### SPOT MARKETS

Prices of soybean at most of the centers improved while at few centers remain range bound amid improvement in soy oil. Slight improvement in the activities could be noticed in ports, which provide additional support to the bean in the physical market. The prices are expected to hover around the current level unless the demand of DOC rekindles.

#### FUTURES MARKETS:

Prices at NCDEX June contract for soybean remain range bound and witnessed choppy trade as there were no fresh news to influence the demand and supply scenario. Prices tried to gain momentum on Wednesday but active fund selling results into steep fall in the price. Prices ranged between 1336.65-1352.00 and finally closed at 1338.00.

#### PRICE DRIVERS:

##### Bullish:

1. Fast depleting seeds stocks
2. Seeds in strong hands
3. Improvement in Soy 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

Candlestick formation indicates the dominance of bears over bulls and closed indecisive on Wednesday. Stochastic oscillators and MACD reflects that the bearish trend likely to continue as there is no signal for trend reversal. Bearish cross over of EMA indicating the continuation of bearish trend.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
June	1320.00	1315.00	1350.65	1355.95

#### TRADE RECOMMENDATION:

Sell below 1339.00, target1 near 1328.00 and stop loss at 1344.40

#### SPOT MARKET PRICES

Centers	Market	24.05.06	23.05.06	Change	Arrivals
Indore	Plant	1315-1325	1300-1325	-15.00	30000-35000
Indore	Mandi	1270-1275	1260-1275	+10.00	
Maharashtra	Plant	1350	1345	+5.00	20000
Maharashtra	Mandi	1290-1320	1240-1260	+50.00	
Kota	Plant	1310-1320	1310-1315	0	3500-4000
Kota	Mandi	1270-1280	1260-1275	+10.00	

## MUSTARD

### SPOT MARKETS

Mustard seed at physical market remain range bound, as there were no major shift in demand and supply situation. Low arrivals continue to hit few centers as producers and not willing to sell their produce at low prices and waiting for proper time for disposal. The prices are expected to remain range bound to decline slightly from current level. In absence of any fresh news the prices are expected to maintain its current level.

### FUTURES MARKETS:

With the firm opening of NCDEX June contract the prices tried to gain strength initially but in absence of any bullish news the prices slipped down near its opening. The prices on Wednesday varied from 353.15 - 356.00 and finally closed at 353.70.

### PRICE DRIVERS:

#### Bullish:

1. Good crushing demand from millers
2. Low arrivals
3. Disruption of supply chain on recent rains

#### Bearish:

1. Low consumer demand
2. Low mustard oil demand

### Weather

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

### TECHNICALS

Long upper shadow and small body formation in the candlesticks reveals indecisiveness in the market. All other indicators indicating the bearish market sentiments as the prices could not be able to sustain the higher level of prices. Volume decline slightly while open interest remain steady, as there is little strength in the market. Traders are advised to take the position carefully as the market is moving on both sides.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
June	351.85	351.00	356.15	357.50

### TRADE RECOMMENDATION:

Sell near 354.70, target near 353.15 and stop loss at 355.55

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

Markets	24.05.06	23.05.06	Change	Arrivals
Jaipur (C)	1725-1730	1720	+5.00	4000
Alwar(C)	1670-1680	1680	-10.00	2000
Delhi(C)	1740	1740	0	1200
Agra(C)/Katchi Ghani	1780/4100-4125	1790/4025	-10.00	-
Sri Ganganagar (NC)	1500	1500	0	7000
Kota (NC)	1535-1565	1530-1560	+5.00	2000

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET

Groundnut prices at the physical market improved slightly on the news of export demand of groundnut seed from Vietnam. 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)	
	24.05.06	23.05.06
Gr Kernel	2320*	2300*
Bolds 60/70	2800*	2775*
Javas 60/70	2975*	2975*
Javas 70/80	2875*	2900*
Javas 80/90	2775*	2775*

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

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