

OILSEED DAILY

JUNE 14, 2006

SOYBEAN

SPOT MARKETS

The prices at the spot market improved further on the wake of low stock, improving demand of the soy oil combined with the improvement in the demand of DOC. Strength in other oil market further supported the spot market up. The upcoming demand of soybean seed for sowing provided some underlying support to the market but to some extent. The prices are likely to trade slight up in coming days as per the traders.

FUTURES MARKETS:

NCDEX July soybean futures opened firm on and tried to improve further, but speculative selling pushed the market down. Market also loose the strength as it is influenced by outside the market. Weakness in other agricultural commodities helped to pressurized the soybean market down. The July contract traded between 1319-1340 and finally closed at 1319.5.

PRICE DRIVERS:

Bullish:

1. Restricted soy seed s stocks
2. Considerable sowing demand.
3. Good soy oil demand.

Bearish:

1. Outside market influence
2. Low crushing margin

Weather

Dry spell after early advancement leads to the speculation of delayed planting with reduction in the sowing area.

TECHNICALS

Dark filled candlesticks represents harami pattern indicating bearish sentiments likely to continue. %K line is running close parallel to %D line indicating likely hood of bearish cross over. The MACD continue to move up ward in the negative region indicating improvement in the medium to long term. The price line is ruling below both 9-days and 18-days EMA, indicating weakness in the market sentiments. The volumes for selling increased slightly while open interest remain steady indicating weakness in the market sentiments.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	1306.2	1302.6	1326.6	1331.2

TRADE RECOMMENDATION:

Sell NCDEX July contract below 1319.0, T1- 1310.0; and stop loss at 1324.0.

SPOT MARKET PRICES

Centers	Market	13.06.06	12.06.06	Change	Arrivals (Bags)
Indore	Plant	1270-1290	1260-1270	+15.00	25000
Indore	Mandi	1230-1250	1200-1210	+30.00	
Maharashtra	Plant	1350	1340	+10.00	10000-15000
Maharashtra	Mandi	1290-1310	1270-1280	+20.00	
Kota	Plant	1270-1275	1360-1270	+10.00	3500-4000
Kota	Mandi	1240-1260	1230-1240	+10.00	

MUSTARD

SPOT MARKETS

The spot market prices decline in most centers of the Rajasthan amid selling pressure of old mustard seed by the NAFED. NAFED is also planning to sell new seeds in those centers where old stocks are not available as per traders. Weak demand of seeds for crushing also help to weaken the market sentiments. The prices at this juncture stuck to a level where the prices are moving slightly up and down. The prices are expected to move range bound in near terms.

FUTURES MARKETS:

NCDEX July contract fell down sharply on weak demand and moderate to high arrivals in Jaipur. The market stumble owing to speculative selling on low demand, which further pressurized the market down. Cloud formation in the Northern Rajasthan particularly in Ganganagar, Bikaner and Nagore leads to weakness in the market sentiments. The July contract traded in the range between 352.0-354.90 and finally settled at 352.0.

PRICE DRIVERS:

Bullish:

1. Restricted arrivals

Bearish:

1. Selling of Non conditioned mustard by ITC
2. NAFED planning to sell new mustard at some locations.
3. Strong selling pressure

Weather

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

TECHNICALS

Black closing bozu formation by the candlestick reveals bearish sentiments into the market as the market didn't supported the higher levels. Stochastic is moving up with %K line above %D line indicating medium term bullishness. DAV is bending towards its MACD indicating possible bearish cross over. RSI made bearish cross over to its moving average indicating bearish sentiments. Volume decline while open interest remain steady indicating less strength in the market.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	347.70	345.80	353.70	356.10

TRADE RECOMMENDATION:

Sell NCDEX July contract below 351.95, T1- 349.15; and stop loss at 353.35.

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

Markets	13.06.06	12.06.06	Change	Arrivals (Bags)
Jaipur (C)	1710-1725	1720-1725	-10.0	3000
Alwar(C)	1670-1680	1670-1685	0	2000
Delhi(C)	1725-1730	1730-1735	-5.0	500-700
Agra(C)/Katchi Ghani	1775-1820/4050	1780-1825/4100	-5.0	-
Sri Ganganagar (NC)	1500-1510	1510	-10.0	700-800
Kota (NC)	1540-1575	1550-1580	-10.0	1500

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

The spot prices of groundnut moved down on moderate to weak demand. The prices during the past 2-3 days saw firm improvement and therefore the market tried to stabilize the prices to the lower levels. Groundnut seed in Rajkot Mandi offered at Rs 360 per 20 kg and groundnut oil prevailed slight up at Rs 478 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 18000-20000 bags in Gujarat Mandi.

Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kg)	
	13.06.06	12.06.06
Gr Kernel	2410*	2380*
Bolds 60/70	2850*	2805*
Javas 60/70	3025*	3005*
Javas 70/80	2940*	2900*
Javas 80/90	2825*	2790*

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

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