

## OILSEED DAILY

JUNE 22, 2006

### SOYBEAN

#### SPOT MARKETS

The spot market prices of soybean at major centers remain steady on account of low demand of seeds for sowing on weather concern combined with low demand of oil and meal from the export front. Long spell after monsoon rains in few regions remain a concern for oilseeds crops. If further there would be any delay in monsoon then the prices in the spot market is expected rise in fear of low crop yield. The sowing of the soybean last year was in full swing by the third week of June, but this year it hasn't even started yet. If the monsoon will arrive in proper time the prices are expected to decline further as per dealer.

#### FUTURES MARKETS:

NCDEX July soybean futures opened steady to weak and witnessed improvement on short covering with profit booking stage. The sentiments then decline and traded side ways amid weak fundamentals. Being unable to retrace the previous prices the market followed the downtrend and traded sideways. The contract is traded between 1285.9-1300.0 and finally closed at 1288.8.

#### PRICE DRIVERS:

##### Bullish:

1. Restricted soy seed s stocks

##### Bearish:

1. Low demand of soy oil
2. Low crushing margin
3. Cloud formation over growing region

#### Weather

Soybean should be planted from last week of June to 2<sup>nd</sup> week of July. If there would be no rain during the period then there could be considerable yield reduction. Recent weather forecast indicating the sowing at proper time.

#### TECHNICALS

Inverted dragon fly formation by the candlesticks indicates bearish sentiment likely to continue, as prices would not be able to hold higher levels. %K line is ruling below %D line with constant decline indicating bearish sentiments likely to continue. The DAV is trailing below MACD with divergence indicating bearish trend for medium to long term. The price line continues to trail below 9-days and 18-days EMA, indicating bearish sentiments into the market. The volumes and open interests both remain steady.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	1272.0	1263.6	1294.2	1305.8

#### TRADE RECOMMENDATION:

**Sell** NCDEX July contract below 1286.1, T1- 1276.7; and stop los at 1291.0.

#### SPOT MARKET PRICES

Centers	Market	21.06.06	20.06.06	Change	Arrivals (Bags)
Indore	Plant	1250-1260	1250-1260	0	30000
Indore	Mandi	1190-1210	1190-1210	0	
Maharashtra	Plant	1300-1310	1300	0	10000-15000
Maharashtra	Mandi	1240-1250	1240-1250	0	
Kota	Plant	1235-1240	1250-1260	-15.0	4000-5000
Kota	Mandi	1205-1225	1210-1225	-5.0	

## MUSTARD

### SPOT MARKETS

Mustard seed prices at different spot market remain range bound to weak on low demand from the millers. The millers are not much interested to procure seeds from NAFED and in mood of wait and watch. NAFED being able to sell only about 14000 tons of mustard by open auction but not been able to attract millers in their weekly tender. The prices further weaken by moderate arrivals in the market. Good crop of sesamum this year with better oil content also had a bearish impact on the mustard as sesamum is expected to sell at lower prices compared to mustard seeds.

### FUTURES MARKETS:

NCDEX July contract opened slightly weak and retraced initially to the higher levels on short covering and profit booking. The market then loose strength on account of poor demand of mustard oil and seeds by the NAFED. Hefty stocks left with the NAFED further had a bearish impact over the market amid low off take from the market and lower interest towards the tender by NAFED. Later part of the trading session indicates some improvement. The prices traded in the range between 339.05- 345.00 and finally settled at 341.70.

### PRICE DRIVERS:

#### Bullish:

1. Restricted arrivals

#### Bearish:

1. Selling of Non conditioned mustard by ITC and NAFED
2. Low demand of mustard seed and oil.
3. Strong selling pressure

### Weather

Revival of monsoon is expected to speed up the Kharif sowing in different region, which will result into the early harvesting thereby early planting of mustard crop.

### TECHNICALS

Long upper and lower shadow with a sound filled black body of the candlestick indicates bearish sentiments likely to continue for some more time. %k line ruling below %D line in over sold region indicating market is in over sold condition. DAV is moving below MACD with increasing divergence indicating bearish sentiments for medium to long term. RSI entered into oversold region indicating possible recovery in near term. Volume decline marginally while open interest remain steady indicating less strength into the market.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	338.8	336.0	342.7	344.35

### TRADE RECOMMENDATION:

Sell NCDEX July contract below 341.3, T1- 339.3; and stop loss at 342.5.

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

Markets	21.06.06	20.06.06	Change	Arrivals (Bags)
Jaipur (C)	1660	1665-1670	-5.0	2000
Alwar(C)	1580-1590	1600	-20.0	2000
Delhi(C)	1705	1705	0	800-1000
Agra(C)/Katchi Ghani	1760-1765/3950-3975	1750-1760/3975	+10.0	-
Sri Ganganagar (NC)	1465-1470	1465-1470	0	700-800
Kota (NC)	1500-1520	1500-1520	0	2000

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET

Though there is early planting of groundnut on the wake of early arrival of monsoon but during this long dry spell the crop is damaged in absence of irrigation facilities and farmers are waiting for arrival of proper monsoon to replant the area. This year land acreage used for growing peanuts is already expected to fall by up to 15% as farmers switch to rising genetically modified Bt Cotton, which provides much higher yield and is more profitable than peanuts. The spot prices of groundnut seed and oil traded range bound with slight improvement. Concern over the weather leads to support the prices up. Groundnut seed in Rajkot Mandi offered at Rs 365 per 20 kg and groundnut oil prevailed slight up at Rs 480 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)	
	21.06.06	20.06.06
Gr Kernel	-	-
Bolds 60/70	-	-
Javas 60/70	-	-
Javas 70/80	-	-
Javas 80/90	-	-

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

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