

OILSEED DAILY

JUNE 28, 2006

SOYBEAN

SPOT MARKETS

The prices at the physical market remains range bound and remain on the lower side on moderate arrivals combined with weak demand of seeds and bearish sentiments of the futures market. Sowing is started in the growing region of MP on the fresh spell of monsoon showers in the region. The prices are expected to stay this level for some more time. Sowing is expected to complete by the 2nd week of June if the progress of monsoon continue with this pace.

FUTURES MARKETS:

NCDEX July soybean futures opened firm and decline afterwards on account of low demand of seeds and DOC on the ports. The first half remains bearish and expected to influenced by the bearish closing of CBOT. Improvement could be noticed after the mid session on speculative buying and short covering. Anticipation of reduced acreage and low production further helped to support the market up. The contract is traded between 1257.00-1277.45 and finally closed at 1273.10.

PRICE DRIVERS:

Bullish:

1. Restricted soy seed s stocks

Bearish:

1. Monsoon progress
2. Sowing started in MP and other region
3. Recent forecast of rains in couple of days

Weather

Soybean should be planted from last week of June to 2nd 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

Small bodied unfilled candlestick with upper and lower shadow indicates spinning top formation indicating indecisiveness into the market. The %K line remains above %D line and is moving upward indicating possible recovery. DAV is continuing to move below MACD and bending upward for any possible bullish cross over. Parabolic SAR indicating bearish trend likely to continue in near term. Price line remains below the 9 and 18 days EMA indicating bearish sentiments. Volume decline while open interest remain steady.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	1265.8	1257.7	1291.8	1299.0

TRADE RECOMMENDATION:

Sell NCDEX July contract below 1283.6, T1- 1271.0; and stop loss at 1289.0.

SPOT MARKET PRICES

Centers	Market	27.06.06	26.06.06	Change	Arrivals (Bags)
Indore	Plant	1240-1260	1240-1265	0	25000
Indore	Mandi	1180-1210	1200-1210	-20.0	
Maharashtra	Plant	1305-1310	1280-1300	+25.0	15000
Maharashtra	Mandi	1240-1270	1220-1240	+20.0	
Kota	Plant	1235-1240	1240-1250	-5.0	4000
Kota	Mandi	1200-1225	1200-1205	0	

MUSTARD

SPOT MARKETS

The prices of the mustard seed at the spot market remain steady in most of the centers while slight decline was noticed in the Delhi market. NAFED slightly hiked the prices in some centers and tried to give some concession on bulk purchase thereby holding the prices at current position as per trade sources. The spot market prices expected to improve as the rainy season is approaching in the northern plane. Traders are in the hope of getting some demand in near terms.

FUTURES MARKETS:

NCDEX July contract of mustard opened steady and traded with improved sentiments. NAFED marginally hiked the prices of the seeds in certain region that had a bullish impact over the market. The market also got some underlying support on approaching monsoon as the demand increased in the rainy season. The market is expected to trade range bound and its futures will much depends on the demand and supply scenario. The prices traded in the range between 335.90-340.85 and finally settled at 339.90.

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. Upcoming sesamum crop

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 unfilled candlestick with opening bozu pattern indicates bullish sentiments into the market. %K line continue to move upward after bullish cross over with %D line in over sold region indicating possible technical correction. DAV made bullish crossover with MACD indicating possible trend reversal but still needs to be confirmed. RSI made bullish cross over indicating strength into the market. Both volume and open interest remain steady.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	337.9	335.95	342.6	344.15

TRADE RECOMMENDATION:

Sell NCDEX July contract below 341.6, T1- 339.25; and stop loss at 342.75.

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

Markets	27.06.06	26.06.06	Change	Arrivals (Bags)
Jaipur (C)	1650-1660	1650-1660	0	2500-3000
Alwar(C)	1580-1590	1580-1590	0	800-1000
Delhi(C)	1670-1675	1685-1690	-15.0	1000-1200
Agra(C)/Katchi Ghani	1760-1770/3900	1760-1770/3950	0	-
Sri Ganganagar (NC)	1460	1460-1465	0	200-250
Kota (NC)	1520-1540	1520-1540	0	1500-2000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

The spot prices of groundnut seed and oil remain range bound on equality of demand and supply. Monsoon is active over Gujarat thereby facilitating the sowing of Kharif groundnut in the region. This year the groundnut area is likely to decline by nearly 15% on account of shifting of area to Bt cotton, which is more remunerative. Groundnut seed in Rajkot Mandi offered at Rs 365 per 20 kg and groundnut oil decline slightly 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)	
	27.06.06	26.06.06
Gr Kernel	2425*	2425*
Bolds 60/70	2890*	2870*
Javas 60/70	2975*	3025*
Javas 70/80	2925*	3015*
Javas 80/90	2825*	2915*

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

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