

OILSEED DAILY

JUNE 23, 2006

SOYBEAN

SPOT MARKETS

Soybean spot market prices at spot market remain steady at most of the centers. Mandi rate at Indore spot market improved slightly while at Kota market slight decline was observed. The farmers are waiting for the revival of monsoon and expecting showers at the end of this month. The spot market price is expected to remain range bound until rains in the growing belt.

FUTURES MARKETS:

With firm opening NCDEX July soybean futures observed choppy trading on account of no clear cut direction of the market. Initially the market tried to gain the strength but could not been able to sustain the higher levels. The prices plunge down to fetch the days low near 11.0 am and then traded sideways for most of the time. The contract is traded between 1290.5-1297.0 and finally closed at 1290.4.

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 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 body dark candlesticks with long upper shadow and lower short shadow indicate indecisiveness in the market since the prices are moving in a narrow range. %K line continue to rule below %D line and entered into oversold region and % D line lagging behind. 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 decline while open interests remain steady.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	1278.8	1272.0	1297.0	1303.0

TRADE RECOMMENDATION:

Sell NCDEX July contract below 1290.0, T1- 1283.0; and stop los at 1295.0.

SPOT MARKET PRICES

Centers	Market	22.06.06	21.06.06	Change	Arrivals (Bags)
Indore	Plant	1250-1270	1250-1260	0	25000
Indore	Mandi	1200-1225	1190-1210	+10.0	
Maharashtra	Plant	1300-1310	1300-1310	0	10000-12000
Maharashtra	Mandi	1240-1250	1240-1250	0	
Kota	Plant	1235-1250	1235-1240	0	4000-5000
Kota	Mandi	1200-1230	1205-1225	-5.0	

MUSTARD

SPOT MARKETS

The spot market prices at different centers remain mixed to range bound on lower side. The prices at this juncture stuck to a level when there is no major demand from the mills and NAFED is selling their produce at lower rates. The prices are expected to remain subdued until there should be any fresh demand from the millers. Onset of monsoon could be viewed as a ray of hope as the demand increased during the season.

FUTURES MARKETS:

NCDEX July contract opened weak but soon gain strength and traded on the upper prices level up to the mid session. The prices then decline for some time on account of bearish physical sentiments. 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. The prices traded in the range between 339.50-341.50 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. 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

Doji star with upper long shadow and short lower shadow indicates indecisiveness into the market. %k line made bullish cross over with %D line in over sold region indicating possible improvement. DAV is moving below MACD with increasing divergence indicating bearish sentiments for medium to long term. RSI is in oversold region indicating possible recovery in near term. Volume and open interest remain steady indicating less strength into the market.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	338.3	337.1	344.1	345.9

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	22.06.06	21.06.06	Change	Arrivals (Bags)
Jaipur (C)	1660	1660	0	2000
Alwar(C)	1580-1585	1580-1590	0	2000
Delhi(C)	1690	1705	-15.0	1200
Agra(C)/Katchi Ghani	1750/3925	1760-1765/3950-3975	-10.0	-
Sri Ganganagar (NC)	1465-1470	1465-1470	0	400
Kota (NC)	1520-1540	1500-1520	+20.0	1500

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

The spot prices of groundnut seed and oil increased significantly on account of the crop loss of early sown crop. Increased demand of the oil also helped to support the market up. Concern over the weather on receiving rainfall after 4-5 days further providing additional support to the crop. Groundnut seed in Rajkot Mandi offered at Rs 370 per 20 kg and groundnut oil prevailed slight up at Rs 490 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.

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