

## OILSEED DAILY

June 5, 2006

### SOYBEAN

#### SPOT MARKETS

Moderate to low arrivals could be witnessed in the various mandis as rains down pour into the region disrupting the supply chain. Improvement in the futures of soy oil on Friday combined with the improvement in seeds futures added positive sentiments in the physical market. Buying interest could be seen as the dealers are interested to buy the same.

#### FUTURES MARKETS:

The market today opened with a wide gap and gain momentum upwards on the news about DGFT's Public Notice regarding import of vanaspati including bakery shortening and margarine is chanelised through NAFED. The market gained strongly on the news and traded between 1276.65-1299.00 and closed at 1293.00.

#### PRICE DRIVERS:

##### Bullish:

1. Low stocks of soy seeds.
2. DGFT's notification about Vanaspati import via NAFED.

##### Bearish:

1. Monsoon progress actively.
2. Weak demand of DOC for export
3. Low crushing demand.

#### Weather

Early advances of monsoon result into early planting of soybean and expected to have good crops.

#### TECHNICALS

Comparative long unfilled candlestick indicates bullish sentiments of the traders. %K line continues to move above %D line indicating the bullish sentiments likely to continue. MACD made bullish cross over with its trigger line indicating possible reversal of the trend. Other oscillators also indicating positive sentiments. Volume increased while marginal decline in open interest could be visualized. Trade cautiously.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
June	1269.9	1257.9	1319.4	1326.8

#### TRADE RECOMMENDATION:

Buy NCDEX June contract above 1287.60, T1- 1299.00; T2- 1308.60 and stop loss at 1281.90

#### SPOT MARKET PRICES

Centers	Market	3.06.06	2.06.06	Change	Arrivals
Indore	Plant	1260-1275	1240-1260	+20.00	15000-20000
Indore	Mandi	1190-1225	1180-1210	+10.00	
Maharashtra	Plant	1310	1300	+10.00	10000-15000
Maharashtra	Mandi	1250-1280	1260-1280	-10.00	
Kota	Plant	1265-1275	12660-1270	+5.00	3000-3500
Kota	Mandi	1240-1260	1230-1250	+10.00	

## MUSTARD

### SPOT MARKETS

Prices at most centers of the Rajasthan improved as the supply chain disrupted on account of intermittent rainfall in different regions on Friday. Low arrivals still noticed in the market. Few centers remain steady and traded sideways. The prices are expected to remain range bound in the Mandi but may decline due to selling of seed by the NAFED.

### FUTURES MARKETS:

NCDEX June contract opened firm and then decline on speculative selling pressure followed by short coverage. The market didn't get buying support after the firm opening in anticipation of the NAFED's selling of the mustard seed from 1<sup>st</sup> week of June. Then the market traded side ways and traded between 347.00-349 and closed at 347.50.

### PRICE DRIVERS:

#### Bullish:

1. Low arrivals
2. NAFED not started selling mustard in Rajasthan

#### Bearish:

1. Weak consumer demand.
2. NAFED to sell 2 lakh ton per month.
3. Weak mustard oil demand

### Weather

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

### TECHNICALS

Filled candlestick indicates bearish sentiments but the last hour movements indicate some recovery. MACD approaching its trigger line indicating possible bullish cross over. %K line is moving above its %D line indicating bullish sentiments. Volume increased while open interest decline marginally.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
June	344.60	342.75	351.15	353.40

### TRADE RECOMMENDATION:

Buy NCDEX June contract above 346.60, T1- 348.55; and stop loss at 345.00

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

Markets	3.06.06	2.06.06	Change	Arrivals (Bags)
Jaipur (C)	1695	1690-1695	+5.00	1500
Alwar(C)	1650-1680	1630-1640	+20.00	1500
Delhi(C)	1735-1740	1725	+10.00	400-500
Agra(C)/Katchi Ghani	1770-1775/4000-4025	1770-1775	0	-
Sri Ganganagar (NC)	1475	1475-1500	0	2500-3000
Kota (NC)	1525-1540	1520-1540	+5.00	1800

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET

Groundnut seed and oil prices at the physical market decline due to comparative high arrivals and low demand in Gujarat Mandi. Groundnut seed in Rajkot Mandi remain at Rs 341 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 20000 bags in Gujarat Mandi.

### Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kg)	
	3.06.06	2.06.06
Gr Kernel	2365*	2360*
Bolds 60/70	2800*	2800*
Javas 60/70	3000*	3000*
Javas 70/80	2925*	2925*
Javas 80/90	2825*	2825*

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

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