

OILSEED DAILY

JUNE 26, 2006

SOYBEAN

SPOT MARKETS

The spot market witness decline amid low demand of the soy oil and DOC with lack of interest among buyers for its offtake. Weakness in soy oil also added to its bearish tone. The Solvent Extractors Association has been allowed by the government to seek only one time approval from the GEAC for import of genetically modified soy oil on behalf of all importers as per government requirements. This order will help to dilute the previous notice there by giving some relief to the importers.

FUTURES MARKETS:

NCDEX July soybean futures opened firm but soon after opening the prices decline sharply to touch the life time low in the initial hours. Prices then regain there after as the prices were prevailing at the lifetime low value. Possibility of rains in the growing region is expected to raise some demand for soybean seeds. The contract is traded between 1260.05-1290.0 and finally closed at 1281.0.

PRICE DRIVERS:

Bullish:

1. Restricted soy seed s stocks

Bearish:

1. Low demand of soy oil
2. SEA allowed one time GEAC nod for soy oil import
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 candlesticks with long lower leg and comparative short upper leg indicates improvement in the market condition. Though there is bullish cross over of the %K line with %D line there need further confirmation for possible trend change as the stochastic is moving in the over sold market condition. DAV is continuing to move below MACD but bending upward indicating the improvements in market condition. Price line remains below the 9 and 18 days EMA indicating bearish sentiments. Volume decline slightly while open interest remain range bound.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	1277.7	1268.3	1301.6	1309.4

TRADE RECOMMENDATION:

Buy NCDEX July contract above 1286.7, T1- 1295.8; and stop loss at 1282.0.

SPOT MARKET PRICES

Centers	Market	24.06.06	23.06.06	Change	Arrivals (Bags)
Indore	Plant	1250-1260	1260-1280	-10.0	25000
Indore	Mandi	1190-1215	1195-1225	-5.0	
Maharashtra	Plant	1300	1300-1310	0	8000
Maharashtra	Mandi	1230-1240	1250-1260	-20.0	
Kota	Plant	1240-1250	1250-1260	-10.0	4000
Kota	Mandi	1205-1225	1210-1230	-5.0	

MUSTARD

SPOT MARKETS

The prices of mustard in the spot market remain range bound to decline slightly on weak demand of mustard oil in the market. The prices further loose strength on account of low demand and weak sentiments of other oil in general and soy oil in particular. It is expected that the demand will come, as there will onset of monsoon.

FUTURES MARKETS:

NCDEX July contract of mustard opened weak and gained strength later on due to profit booking and short covering. As the market is in oversold region, the market at this stage is expected to bounce on the technical ground. The market is in wait and watch condition to react on. The fundamentals are still bearish and NAFED is trying to dispose its hefty stocks at lower rates. If there will be some rain in near terms then there will be some demand of mustard oil as per trader. The prices traded in the range between 333.80-338.00 and finally settled at 337.00.

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

Large unfilled candlestick indicates strong improvement with relatively long upper shadow and small lower shadow. %K line continue to move upward after bullish cross over with %D line in over sold region indicating possible technical correction. DAV is moving below MACD and bending upward indicating some improvement. RSI continue to move in oversold region with no sigh of recovery. Both volume and open interest decline slightly hinting less strength into the market.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	335.0	332.8	341.5	343.15

TRADE RECOMMENDATION:

Sell NCDEX July contract near 339.45, T1- 337.0; and stop loss at 340.7.

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

Markets	24.06.06	23.06.06	Change	Arrivals (Bags)
Jaipur (C)	1660	1650	+10.0	3000
Alwar(C)	1580-1590	1580-1590	0	1000-1500
Delhi(C)	1690	1705	-15.0	1000
Agra(C)/Katchi Ghani	1750/3900	1750/3950	0	-
Sri Ganganagar (NC)	1460	1465	-5.0	400
Kota (NC)	1520-1540	1515	+5.0	1500

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

The spot prices of groundnut seed and oil remain range bound on weak demand. Weak demand of other oils also added to its bearish tone. Concern over the weather on receiving rainfall after 4-5 days further result in slight decline. Groundnut seed in Rajkot Mandi offered at Rs 365 per 20 kg and groundnut oil decline slightly at Rs 483 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)	
	24.06.06	23.06.06
Gr Kernel	2425*	--
Bolds 60/70	2850*	-
Javas 60/70	3025*	-
Javas 70/80	2950*	-
Javas 80/90	2850*	-

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

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