

OILSEED DAILY

June 7, 2006

SOYBEAN

SPOT MARKETS

Prices of soybean at the spot market in various centers remain range bound and traded in tight range. Low demand of soy oil and DOC still hit the market down. The market still has additional 15 lakh tonnes for crushing and sowing demand of seeds expected to vary between 5-7 lakh tonnes with the stockists, as per dealer. Moderate release of stocks continues to hit the market and combined with weak demand the market is expected to remain on the lower levels.

FUTURES MARKETS:

The market today opened weak with subsequent decline was witnessed for initial one hour. Some improvement could then be observed amid profit booking and short covering. The market then continues to maintain its downward trend with slight ups and down. On Tuesday the market traded in the range between 1285.05-1293.00 and finally settled at 1290.00.

PRICE DRIVERS:

Bullish:

1. Low stocks of soy seeds.

Bearish:

1. Low demand of soy oil
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

The candlestick indicates indecisiveness in the market while movement of %K over %D line indicates bullish sentiments. MACD continue to move upward along with its trigger line indicating bullish sentiments. Volume decline while open interest remain steady. High volatility still persists in the market so trade cautiously.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
June	1274.0	1262.4	1320.0	1329.0

TRADE RECOMMENDATION:

Buy NCDEX June contract near 1284.70, T1- 1298.00; T2- 1310.00 and stop loss at 1278.00

SPOT MARKET PRICES

Centers	Market	6.06.06	5.06.06	Change	Arrivals (Bags)
Indore	Plant	1250-1265	1250-1275	0	30000-35000
Indore	Mandi	1190-1220	1200-1225	-10.00	
Maharashtra	Plant	1315	1310	+5.00	15000
Maharashtra	Mandi	1250-1280	1250-1280	0	
Kota	Plant	1260-1280	1270-1275	-10.00	3500-4000
Kota	Mandi	1240-1260	1250-1260	-10.00	

MUSTARD

SPOT MARKETS

The market still trading in tight range and traders are waiting for any news from NAFED for the auction of mustard as started by the NAFED in various centers. The weak low demand of mustard oil still rule the market down. Weak demand of edible oils further added to its bearish tone. The prices are expected to trade in narrow zone and further expected to decline slightly from present market condition.

FUTURES MARKETS:

NCDEX June contract opened weak and tried to fill the gap with upward movement for two hours. Prices then decline in a phased manner due to speculative selling and no fresh buying. Speculation of mustard selling by the NAFED pressurized the market down. Hefty stocks position with the NAFED further added to the bearish tone. The contract traded between 345.00-347.40 and finally settled at 346.00.

PRICE DRIVERS:

Bullish:

1. Low arrivals

Bearish:

1. Weak consumer demand of mustard oil.
2. NAFED to sell mustard at Kolkata, Punjab and Haryana.
3. Low volume of work in the Mandi.

Weather

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

TECHNICALS

Long upper shadow with small lower shadow and small unfilled candlestick formation indicates indecisiveness in the market. Stochastic showing improvement as %K line is moving above %D line. MACD made a bullish cross over with its trigger line indicating improvement. Volume increased while open interest remains steady. High volatility still persists into the market so trade cautiously.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
June	342.75	341.40	347.50	349.30

TRADE RECOMMENDATION:

Sell NCDEX June contract below 346.00, T1- 344.15; and stop loss at 347.00

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

Markets	6.06.06	5.06.06	Change	Arrivals (Bags)
Jaipur (C)	1685-1690	1700	-15.00	800-900
Alwar(C)	1650-1660	1650-1660	0	2000
Delhi(C)	1725-1730	1725-1730	0	1000-1500
Agra(C)/Katchi Ghani	1780/4075	1775-1780/4050-4100	+5.00	-
Sri Ganganagar (NC)	1500	1475-1500	+25.00	1800-2000
Kota (NC)	1520-1530	1525-1545	-5.00	

NC: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Groundnut seed and oil prices at the physical market remain steady on equality in demand and supply scenario in Gujarat Mandi. Groundnut seed in Rajkot Mandi remain at Rs 342 per 20 kg and groundnut oil at Rs 450 per 10 kg. 50% sowing completed in Gujarat. Overall sentiments are expected to depend on the demand and supply scenario of upcoming crop. Arrivals of seed are recorded nearly at 15000-20000 bags in Gujarat Mandi.

Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kg)	
	6.06.06	5.06.06
Gr Kernel	2375*	2375*
Bolds 60/70	2815*	2820*
Javas 60/70	2975*	2990*
Javas 70/80	2890*	2940*
Javas 80/90	2775*	2840*

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

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.