

## OILSEED DAILY

JUNE 30, 2006

### SOYBEAN

#### SPOT MARKETS

Prices at the physical market remain range bound with mixed sentiments. Moderate to high arrivals in the physical market keep check on the upward movement of prices. While emerging demand for sowing seeds further prevent its downward movements. According to trade sources stockists are releasing stocks with a view to fetch premiums and want to catch the demand for sowing. Traders expect that the prices will hover around the same level until for any fresh demand.

#### FUTURES MARKETS:

NCDEX July soybean futures opened weak and with initial decline it spurt high. The next session also witnessed improvements but later on it closed to the lower levels. Talk in the market about possible hike in the tariff value results into choppy trade with movements on both the side. Improvement in the physical market also gives some support to the futures. The contract is traded between 1266.25-1280.00 and finally closed at 1276.00.

#### PRICE DRIVERS:

##### Bullish:

1. Restricted soy seed s stocks
2. Talk about increase in tariff value on soy oil

##### 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 2<sup>nd</sup> 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 unfilled candlestick with upper and lower shadow indicates formation of spinning top indicating indecisiveness into the market. The %K line made kicking pattern with %D line indicating recovery and positive divergence. DAV made bullish cross over with MACD indicating possibility of bullish medium to long term trend. Parabolic SAR generating sell signal as verified by DMI. Price line remains below the 9 and 18 days EMA indicating bearish sentiments. Volume increased slightly while open interest remains steady.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	1266.0	1260.7	1288.8	1296.6

#### TRADE RECOMMENDATION:

Sell NCDEX July contract below 1282.2, T1- 1270.5; and stop loss at 1288.0.

#### SPOT MARKET PRICES

Centers	Market	29.06.06	28.06.06	Change	Arrivals (Bags)
Indore	Plant	1250-1260	1250-1275	0	30000
Indore	Mandi	1190-1215	1200-1225	-10.0	
Maharashtra	Plant	1310-1315	1315-1320	-5.0	20000
Maharashtra	Mandi	1250-1260	1250-1280	0	
Kota	Plant	1245-1255	1240-1245	+5.0	3500-4000
Kota	Mandi	1215-1220	1200-1220	+15.0	

## MUSTARD

### SPOT MARKETS

The spot market prices at most of the centers increased on improved demand from the millers. The prices also got strength as NAFED hiked the selling prices marginally. Rains in central, eastern and southern parts results into some demand of mustard oil from various locations, which further supported the mustard seeds. No major shift in demand can be expected this time until the rain lashes the entire region as per trader.

### FUTURES MARKETS:

NCDEX August contract of mustard opened steady and increased slightly for initial hour. Later the prices fetch its highest level and decline then after for major portion of the trading session. The prices at major part of the session traded in a very narrow range. 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 344.25-347.20 and finally settled at 345.45.

### 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

Doji formation by the candlesticks with long upper and lower shadow indicates bearish sentiments into the market. %K line continues to move upward with %D line indicating slightly bullish sentiments. DAV upward with MACD indicating possible trend reversal but still needs to be confirmed. RSI running parallel to its average indicating indecisiveness into the market. Volume decline while open interest remain steady.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
August	341.8	340.0	349.8	352.5

### TRADE RECOMMENDATION:

**Sell** NCDEX August contract below 346.85, T1- 343.0; and stop loss at 348.8.

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

Markets	29.06.06	28.06.06	Change	Arrivals (Bags)
Jaipur (C)	1675-1685	1665-1670	+10.0	3500
Alwar(C)	1600-1610	1590-1600	+10.0	800
Delhi(C)	1710	1690	+20.0	700-800
Agra(C)/Katchi Ghani	1800/4025	1780/3950	+20.0	-
Sri Ganganagar (NC)	1470-1475	1460-1465	+10.0	250-300
Kota (NC)	1520-1540	1520-1540	0	2000

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET

The spot prices of groundnut oil improved slightly amid improvement in other oil. Monsoon is active over Gujarat thereby facilitating the sowing of Kharif groundnut in the region. Groundnut seed in Rajkot Mandi offered at Rs 367 per 20 kg and groundnut oil decline slightly at Rs 486 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)	
	29.06.06	28.06.06
Gr Kernel	2450*	2450*
Bolds 60/70	2875*	2875*
Javas 60/70	3050*	3050*
Javas 70/80	2990*	2990*
Javas 80/90	2890*	2890*

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

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