

## OILSEED DAILY

JUNE 29, 2006

### SOYBEAN

#### SPOT MARKETS

The spot market prices at most of the centers improved on the back of soy oil as the demand increased slightly in the spot. Sowing of soybean so far has reached only 74000 hac against 139000 hac last year. Emerging demand for sowing seeds also helped to support the market up. The prices at the spot also got strength from the futures market where both soybean and soy oil traded high. Traders expect that the prices will hover around the same level until for any fresh demand.

#### FUTURES MARKETS:

NCDEX July soybean futures opened firm and traded initially as it got support from the soy oil futures. The market then decline on speculation and choppy trade was settled then after. The market remains indecisive for most of the time on the talk about possible hike in the MSP in soybean. The contract is traded between 1270.00-1278.00 and finally closed at 1271.00.

#### PRICE DRIVERS:

##### Bullish:

1. Restricted soy seed s stocks
2. Talk about possible hike in MSP

##### 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 filled candlestick with short upper shadow and very small lower shadow indicates spinning top formation indicating indecisiveness into the market. The %K line approaching %D line indicating possible bearish cross over. DAV is continuing to move below MACD and bending upward for any possible bullish cross over. Parabolic SAR generating sell signal as verified by DMI. Price line remains below the 9 and 18 days EMA indicating bearish sentiments. Volume decline while open interest remain in tandem with the volume with marginal decrease.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	1260.0	1257.0	1277.1	1281.8

#### TRADE RECOMMENDATION:

Sell NCDEX July contract below 1270.2, T1- 1262.0; and stop loss at 1275.0.

#### SPOT MARKET PRICES

Centers	Market	28.06.06	27.06.06	Change	Arrivals (Bags)
Indore	Plant	1250-1275	1240-1260	+10.0	25000
Indore	Mandi	1200-1225	1180-1210	+20.0	
Maharashtra	Plant	1315-1320	1305-1310	+10.0	15000
Maharashtra	Mandi	1250-1280	1240-1270	+10.0	
Kota	Plant	1240-1245	1235-1240	+5.0	3500-4000
Kota	Mandi	1200-1220	1200-1225	0	

## MUSTARD

### SPOT MARKETS

The prices of the mustard seed at the spot market increased amid increase in the selling price of mustard seeds in open auction. Mustard seed is selling at Rs. 1535 and 1545 per ton in Alwar and Kota, and 1510, 1535 and 1500 in Haryana, UP and Ganganagar respectively. The increase in the price level leads to price increase in physical market. The spot market prices expected to improve as the rainy season is approaching in the northern plane. Traders are in the hope of getting some demand in near terms.

### FUTURES MARKETS:

NCDEX July contract of mustard opened with a steady note and decline afterwards on hefty stocks position with the NAFED. Low demands from the millers also had a bearish impact over the market. 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 338.05- 340.15 and finally settled at 338.25.

### 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

Filled candlestick with moderate strength indicates bearish sentiments into the market. %K line continue to move upward after bullish cross over with %D line in over sold region indicating possible technical correction. DAV made bullish crossover with MACD indicating possible trend reversal but still needs to be confirmed. RSI again bending down towards its moving average indicating possible bearish cross over. Volume decline while open interest remain steady.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	335.0	333.85	339.2	340.0

### TRADE RECOMMENDATION:

**Sell** NCDEX July contract below 338.0, T1- 336.0; and stop loss at 339.0.

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

Markets	28.06.06	27.06.06	Change	Arrivals (Bags)
Jaipur (C)	1665-1670	1650-1660	+15.0	3500
Alwar(C)	1590-1600	1580-1590	+10.0	800
Delhi(C)	1690	1670-1675	+20.0	700-800
Agra(C)/Katchi Ghani	1780/3950	1760-1770/3900	+20.0	-
Sri Ganganagar (NC)	1460-1465	1460	0	250-300
Kota (NC)	1520-1540	1520-1540	0	2000

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET

The spot prices of groundnut seed and oil improved slightly on good export demand. 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 484 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)	
	28.06.06	27.06.06
Gr Kernel	2450*	2425*
Bolds 60/70	2875*	2890*
Javas 60/70	3050*	2975*
Javas 70/80	2990*	2925*
Javas 80/90	2890*	2825*

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

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