

OILSEED DAILY

JUNE 17, 2006

SOYBEAN

SPOT MARKETS

The prices at plants remain steady at different centers. Marginal increase in the Mandi rate could be witnessed on account of some demand from the farmers in anticipation of rainfall in the region in near terms. Huge arrivals of soybean seed in the mandis restricted any sharp movement of prices in the market. Movement of clouds into different region had a bearish impact on the psychology of traders.

FUTURES MARKETS:

NCDEX July soybean futures opened firm as influenced by the firmness in CBOT. The prices then decline sharply on speculative selling, as fund sellers remain active most of the session. Expectation of favourable weather in near terms help to pressurized the market further. Weak demand of soy oil further added to its bearish tone. The July contract is traded in the range 1316.40-1331.00 and finally closed at 1326.50.

PRICE DRIVERS:

Bullish:

1. Restricted soy seed stocks

Bearish:

1. Low demand of soy oil
2. Low crushing margin
3. Expectation of revival of monsoon

Weather

Dry spell after early advancement leads to the speculation of delayed planting with reduction in the sowing area.

TECHNICALS

Dark filled candlesticks indicating the bearish sentiments into the market. %K line is ruling below %D line indicating bearish sentiments likely to continue. The MACD continue to move upward and running parallel to its signal line in the negative region indicating trend likely to continue in medium to long term. The price line is slightly below 9-days and 18-days EMA, indicating bearish sentiments into the market. The volumes increased while open interests decline slightly.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	1311.0	1304.3	1331.7	1341.9

TRADE RECOMMENDATION:

Sell NCDEX July contract below 1325.8, T1- 1316.6; and stop loss at 1331.0.

SPOT MARKET PRICES

Centers	Market	16.06.06	15.06.06	Change	Arrivals (Bags)
Indore	Plant	1260-1275	1260-1275	0	30000
Indore	Mandi	1230-1240	1200-1230	+30.0	
Maharashtra	Plant	1330	1330	0	15000-20000
Maharashtra	Mandi	1280-1310	1260-1290	+20.0	
Kota	Plant	1265-1275	1265-1275	0	6000
Kota	Mandi	1240-1255	1235-1255	+5.0	

MUSTARD

SPOT MARKETS

The mustard prices at different centers remain range bound on account of low demand of mustard oil and seed as per dealers. NAFED started open selling in Ganganagar and Kota at Rs. 1500 and 1550 per quintal respectively and expected to have bearish impact on the market. Prices are further expected to slide down by Rs. 25 to 50. Progress of monsoon is likely to alter its prices in near term.

FUTURES MARKETS:

NCDEX July contract opened firm and traded mixed on the back of weak demand from the consumer side. Selling of mustard seeds in the Ganganagar and Kota further pressurized the market down. Reduction of tariff value on soy and palm oil also had a bearish impact on the market. Revival of monsoon further added to its bearish tone. The July contract was traded in the range between 349.80- 352.50 and finally settled at 350.00.

PRICE DRIVERS:

Bullish:

1. Restricted arrivals

Bearish:

1. Selling of Non conditioned mustard by ITC and NAFED
2. Reduction of tariff on palm oil and Soy oil.
3. Strong selling pressure

Weather

Delayed monsoon in different region expected to delay the Kharif planting, which may further delay the sowing of Rabi crop.

TECHNICALS

Dark long candlestick indicating bearish sentiments likely to continue into the market. Stochastic is moving down with %K line below %D line indicating bearish sentiments. DAV is made bearish cross over with MACD indicating bearish sentiments into the market. RSI indicating kicking off pattern indicating bearish trend likely to continue. Marginal decline in volume was noticed while open interest remains steady indicating less strength in the market.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	346.4	345.3	351.25	352.6

TRADE RECOMMENDATION:

Sell NCDEX July contract below 349.9, T1- 347.7; and stop loss at 351.0.

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

Markets	16.06.06	15.06.06	Change	Arrivals (Bags)
Jaipur (C)	1700	1700-1710	0	3000
Alwar(C)	1620-1625	1635-1640	-15.0	1500
Delhi(C)	1725	1720	+5.0	500-800
Agra(C)/Katchi Ghani	1790/4080	1800	-10.0	-
Sri Ganganagar (NC)	1465-1475	1465-1470	0	1800
Kota (NC)	1500-1540	1500-1540	0	2000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

The spot prices of groundnut seed and oil improved on weather concern, as this stage requires rainfall. Demand from retailer end also helped to support the market up. Groundnut seed in Rajkot Mandi offered at Rs 367 per 20 kg and groundnut oil prevailed slight up at Rs 488 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)	
	16.06.06	15.06.06
Gr Kernel	2440*	2425*
Bolds 60/70	2850*	2850*
Javas 60/70	3050*	3025*
Javas 70/80	2950*	2940*
Javas 80/90	2850*	2825*

***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.