

OILSEED DAILY

JUNE 20, 2006

SOYBEAN

SPOT MARKETS

The prices of soybean seed in the physical market continue to decline on account of weak demand of the bean and soy oil. The prices also dwindle on account of low export demand of soy meal. The recent weather forecast on revival of monsoon on Southern peninsula further had a bearish impact on the psychology of the traders. The prices are expected to remain on the lower side until there would be some sowing demand for the seeds. Farmers in MP are advised to hold back sowing of the soybean crop for the next 3-4 days until for fresh showers.

FUTURES MARKETS:

NCDEX July soybean futures opened weak and decline further on recent forecast of the IMD on monsoon revival in the southern peninsula. The bearish psychology played crucial role for downfall. Low demand of DOC and oil further weaken its sentiments. The contract traded between 1290.05-1305.60 and finally settled at 1296.0.

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

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

Dark candlestick indicates strong bearish sentiments into the market on account of strong selling pressure. %K line is ruling below %D line indicating bearish sentiments likely to continue. The DAV made bearish cross over with MACD indicating bearish trend for medium to long term. The price line is below 9-days and 18-days EMA, indicating bearish sentiments into the market. The volumes increased while open interests decline marginally indicating weakness into the market.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	1277.7	1270.3	1298.7	1307.0

TRADE RECOMMENDATION:

Sell NCDEX July contract below 1291.5, T1- 1283.3; and stop loss at 1296.0.

SPOT MARKET PRICES

Centers	Market	19.06.06	17.06.06	Change	Arrivals (Bags)
Indore	Plant	1250-1260	1250-1275	0	25000-30000
Indore	Mandi	1190-1200	1200-1240	-10.0	
Maharashtra	Plant	1315	1330-1340	-15.0	10000-12000
Maharashtra	Mandi	1250-1270	1280-1310	-30.0	
Kota	Plant	1250-1260	1250-1260	0	4000-5000
Kota	Mandi	1215-1230	1215-1235	0	

MUSTARD

SPOT MARKETS

The prices of mustard seed at different centers remain steady to range bound. Moderate arrivals in various mandis pressurized its prices to its lower side. Recent weather forecast reveal that the monsoon again getting strength and expected to hit Kerala coast within 2-3 days thereby weakening the market sentiments. Clouds over some part of Rajasthan and scattered rainfall in few locations further added to its bearish sentiments. Kharif sowing will take place as it hit over the Indian continent and thereby leads to early crop and thus vacate the land for early Rabi planting.

FUTURES MARKETS:

NCDEX July contract opened weak and traded on the lower side after its opening. Moderate arrivals combined with the concern of rainfall in the region had bearish sentiments into the market. Some part of the trading session witnessed some improvement on profit booking. The July contract was traded in the range between 344.20- 347.00 and finally settled at 344.95.

PRICE DRIVERS:

Bullish:

1. Restricted arrivals

Bearish:

1. Selling of Non conditioned mustard by ITC and NAFED
2. Low demand of mustard oil.
3. Strong selling pressure

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 dark candlesticks indicate bearish sentiments into the market. Three crow patterns by the candlesticks formation indicates the pattern likely to continue. Stochastic is moving down with %K line below %D line indicating bearish sentiments likely to continue. DAV is moving below MACD with greater divergence indicating bearishness for medium to long term. RSI indicating bearish sentiments on account of greater divergence between RSI and its moving average. Volume decline while open interest remains steady indicating lower strength into the market.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	341.0	339.2	346.2	347.45

TRADE RECOMMENDATION:

Sell NCDEX July contract below 344.2, T1- 342.0; and stop loss at 345.5.

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

Markets	19.06.06	17.06.06	Change	Arrivals (Bags)
Jaipur (C)	1680-1690	1690-1695	-10.0	4000
Alwar(C)	1600	1600	0	2500
Delhi(C)	1710	1720	-10.0	2000
Agra(C)/Katchi Ghani	1780-1785/4000	1780/4050	0	-
Sri Ganganagar (NC)	1465-1470	1465-1470	0	500
Kota (NC)	1500-1520	1500-1530	0	2500

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

The spot prices of groundnut seed and oil traded range bound with slight decline. Low demand from retailer and weakness in other oils helped to ease its prices. Groundnut seed in Rajkot Mandi offered at Rs 362 per 20 kg and groundnut oil prevailed slight up at Rs 482 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)	
	19.06.06	17.06.06
Gr Kernel	2425*	2450*
Bolds 60/70	2850*	2850*
Javas 60/70	3050*	3050*
Javas 70/80	2950*	2950*
Javas 80/90	2850*	2850*

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

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