

OILSEED DAILY

JUNE 16, 2006

SOYBEAN

SPOT MARKETS

The Mandi rate at different centers witnessed slight decline while the prices at plants remain steady. Huge arrivals of soybean seed in the mandis results into the downfall in the prices. Lower demand of soy oil and DOC further pressurized the market down. Low pressure formation in the heart of the Indian mainland and subsequent high pressure development on the Indian Ocean results into the favourable condition for the progress of monsoon. This results into the bearish psychology into the market.

FUTURES MARKETS:

NCDEX July soybean futures opened steady and stumble down on speculative selling. The prices improved after noon on the back of emerging demand for sowing. Dry spell concern also helped to pull the prices up during later part of the trading session. The July contract is traded in the range 1310-1331 and finally closed at 1330.

PRICE DRIVERS:

Bullish:

1. Restricted soy seed stocks

Bearish:

1. Outside market influence
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

Hollow unfilled candlestick formation indicates improvement in prices. %K line is ruling below %D line indicating bearish sentiments. The MACD continue to move up ward in the negative region with divergence indicating improvement in medium to long term. The price line is slightly above 9-days and 18-days EMA, indicating bullish sentiments into the market. The volumes increased while open interests remain steady.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	1319.0	1310.2	1343.4	1349.3

TRADE RECOMMENDATION:

Buy NCDEX July contract above 1327.9, T1- 1333.9; T2-1336.2 and stop loss at 1324.0.

SPOT MARKET PRICES

Centers	Market	15.06.06	14.06.06	Change	Arrivals (Bags)
Indore	Plant	1260-1275	1260-1280	0	30000-35000
Indore	Mandi	1200-1230	1210-1240	-10.0	
Maharashtra	Plant	1330	1330	0	15000-20000
Maharashtra	Mandi	1260-1290	1270-1310	-10.0	
Kota	Plant	1265-1275	1265-1275	0	3500-4000
Kota	Mandi	1235-1255	1240-1260	-5.0	

MUSTARD

SPOT MARKETS

The mustard prices at various centers observed range bound movements. The selling of seeds by NAFED pressurizes the market but the prices already are its lowest level and not expected to go further down as per traders. The price at this stage is expected to move range bound in absence of any fresh news. Clouds over in certain region over the region leads to the bearish sentiments into the physical market. Progress of monsoon is likely to alter its prices in near term.

FUTURES MARKETS:

NCDEX July contract witnessed strong opening with subsequent decline in prices in a phased manner. Selling of mustard seeds in the Rajasthan at Rs. 1580 results into the downfall. Reduction of tariff value on soy and palm oil also had a bearish impact on the market. Later part of the market saw some improvement. The July contract was traded in the range between 350.0-353.0 and finally settled at 352.2.

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

Candlestick formation indicating inverted hammer formation reflecting possible recovery of the market. Stochastic made bearish cross over indicating bearish sentiments. DAV is running parallel to MACD indicating trend likely to continue for some more time. RSI is bending towards its MA indicating possible bullish cross over. Volume decline while open interest remains steady indicating less strength in the market.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	351.0	349.9	356.1	357.9

TRADE RECOMMENDATION:

Buy NCDEX July contract above 353.25, T1- 355.0; and stop loss at 352.0.

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

Markets	15.06.06	14.06.06	Change	Arrivals (Bags)
Jaipur (C)	1700-1710	1700-1705	0	3000
Alwar(C)	1635-1640	1650-1675	-15.0	2000
Delhi(C)	1720	1720-1725	0	1000
Agra(C)/Katchi Ghani	1800	1790-1800/4025	+10.0	-
Sri Ganganagar (NC)	1460-1470	1480	-20.0	2000
Kota (NC)	1500-1540	1530-1560	-30.0	1500

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 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)	
	15.06.06	14.06.06
Gr Kernel	2425*	2400*
Bolds 60/70	2850*	2850*
Javas 60/70	3025*	3025*
Javas 70/80	2940*	2940*
Javas 80/90	2825*	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.