

OILSEED DAILY

June 3, 2006

SOYBEAN

SPOT MARKETS

Huge arrivals in the spot market combined with the selling pressure by the stockist's results into decline in the soybean seed prices in the different spot market. Weather at Sangli is now favourable for the sowing crop as monsoon hit the region with expectation of good crop and early harvesting. Weak domestic and export demand of soy meal results into low crushing of the seeds thereby lowering the seed demand in the physical market.

FUTURES MARKETS:

With firm opening NCDEX June contract tended to decline initially but able to attract fund buyers and ended with solid gain for first 15 minutes. The prices then followed whip saw movement with an upward trend till 12 pm. Prices then stumble as the sellers remain active in the later session thereby slight decline was noticed. Prices again tried to recap and finally ended at 1270.00. The contract traded between 1257.00-1272.00

PRICE DRIVERS:

Bullish:

1. Low stocks of soy seeds.
2. Rains over Sangli and adjoining area

Bearish:

1. Progress of monsoon
2. Weak demand of DOC for export
3. Low crushing demand.

Weather

Early advances of monsoon result into early planting of soybean and expected to have good crops.

TECHNICALS

Unfilled candlestick formation indicating the improvement in the market sentiments. %K line is moving above %D line after bullish cross over showing bullish sentiments. The MACD is also turning upward towards its trigger line for possible bullish cross over but still lies in the negative zone. Slight increase in the volume could be noticed while open interest decline marginally. This shows the market is improving fast but still at this stage remains volatile. Traders are advised to trade cautiously.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
June	1255.7	1249.7	1278.7	1287.1

TRADE RECOMMENDATION:

Buy NCDEX June contract above 1263.40, T1-1272.60; and stop loss at 1258.80

SPOT MARKET PRICES

Centers	Market	2.06.06	1.06.06	Change	Arrivals
Indore	Plant	1240-1260	1250-1260	-10.00	25000-30000
Indore	Mandi	1180-1210	1200-1220	-20.00	
Maharashtra	Plant	1300	1310	-10.00	10000-15000
Maharashtra	Mandi	1260-1280	1250-1275	+10.00	
Kota	Plant	12660-1270	1270-75	-10.00	3000
Kota	Mandi	1230-1250	1240-1250	-10.00	

MUSTARD

SPOT MARKETS

The spot market in most of the centers remains steady while prices at Alwar improved marginally. The improvement is owing to the fact that NAFED, till now not started selling mustard in Rajasthan. The NAFED very soon going to start selling into the various markets which will further the spot market prices by Rs. 40-50. Traders are expecting some demand after arrival of monsoon, however overall scenario still looks bearish.

FUTURES MARKETS:

NCDEX June contract though opened late but with very firm note. The contract traded with firm sentiments with slight up and downs and finally ended in positive territory. The contract traded high on speculation about upcoming demand of the mustard oil in the rainy season. The contract varied between 345.50-348.00 and finally ended at 348.00.

PRICE DRIVERS:

Bullish:

1. Low arrivals
2. NAFED not started selling mustard in Rajasthan

Bearish:

1. Weak consumer demand.
2. NAFED to sell 2 lakh ton per month.
3. Weak mustard oil demand

Weather

Early arrival of Monsoon is expected to have bearish impact over mustard.

TECHNICALS

Open bozu and long lower shadow by Candlesticks formation indicates bullish sentiments into the market. %K line made bullish cross over with %D indicating bullish market sentiments. MACD is approaching towards its trigger line indicating bullish cross over. Volume decline while open interest remain almost steady indicating little strength into the market so trade cautiously.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
June	345.30	343.50	350.15	351.65

TRADE RECOMMENDATION:

Buy NCDEX June contract above 346.55, T1- 345.85; and stop loss at 345.40

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

Markets	2.06.06	1.06.06	Change	Arrivals (Bags)
Jaipur (C)	1690-1695	1690-1695	0	1500
Alwar(C)	1630-1640	1625-1650	+5.00	2000
Delhi(C)	1725	1725-1730	0	1000
Agra(C)/Katchi Ghani	1770-1775	1770-1775/4000	0	-
Sri Ganganagar (NC)	1475-1500	1475-1480	0	2500
Kota (NC)	1520-1540	1520-1540	0	1000-1200

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Groundnut seed and oil prices at the physical market improved amid heavy rain lashes the Gujarat. Groundnut seed in Rajkot Mandi remain at Rs 344 per 20 kg and groundnut oil at Rs 452 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 25000 bags in Gujarat Mandi.

Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kg)	
	2.06.06	1.06.06
Gr Kernel	2360*	2350*
Bolds 60/70	2800*	2800*
Javas 60/70	3000*	3000*
Javas 70/80	2925*	2925*
Javas 80/90	2825*	2825*

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

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