

OILSEED DAILY

JUNE 21, 2006

SOYBEAN

SPOT MARKETS

The spot market prices of soybean remain range bound with slight decline on the back of recent rainfall in few regions in MP and Southern states. Low demand of soy oil combined with DOC further pressurized the market down. Prices at the spot market are expected to hover around the current market prices and increase in coming days on sowing demand.

FUTURES MARKETS:

NCDEX July soybean futures opened weak and witnessed choppy trading. Profit booking at this stage leads to the prices to remain on the higher side up to the noon. The market then decline further for an hour. The prices then after plunge down to fetch the days low on the news of bearish climatic condition. Side way trading was witnessed during rest part of the trading session. The contract traded between 1285.00-1295.00 and finally settled at 1287.0.

PRICE DRIVERS:

Bullish:

1. Restricted soy seed s stocks

Bearish:

1. Low demand of soy oil
2. Low crushing margin
3. Cloud formation over growing region

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

Spinning top formation indicates indecisiveness in the market at this juncture. %K line is ruling below %D line with steep fall indicating bearish sentiments likely to continue. The DAV is trailing below MACD with divergence 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 decline while open interests decline marginally indicating weakness into the market.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	1268.0	1261.0	1293.3	1299.0

TRADE RECOMMENDATION:

Sell NCDEX July contract below 1285.0, T1- 1273.0; and stop loss at 1291.0.

SPOT MARKET PRICES

Centers	Market	20.06.06	19.06.06	Change	Arrivals (Bags)
Indore	Plant	1250-1260	1250-1260	0	20000
Indore	Mandi	1190-1210	1190-1200	0	
Maharashtra	Plant	1300	1315	-15.0	10000-12000
Maharashtra	Mandi	1240-1250	1250-1270	-10.0	
Kota	Plant	1250-1260	1250-1260	0	4000-5000
Kota	Mandi	1210-1225	1215-1230	-5.0	

MUSTARD

SPOT MARKETS

Low demand of mustard seed and oil further lowers its prices in various centers. The NAFED is actively started selling mustard seeds in open auction in different regions which eased the prices in spot market as well. NAFED started selling mustard seed and oil at Rs. 1530 per quintal and 380-390 per 10 kg respectively in Punjab. While in Bengal, NAFED is selling at Rs.1670-1675/q for seed and Rs.690-700/15 kg. The demand of oil and seed is still low and not much enthusiasm for procurement could be observed in the market.

FUTURES MARKETS:

NCDEX July contract opened weak and gain momentum after it's opening on profit booking after consecutive three session fall. The market again bounces back on the back of bearish fundamentals as NAFED continue to sell mustard seeds by open auction. The prices then traded sideways for most of the trading session and traded in the range between 342.50- 345.05 and finally settled at 342.50.

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. 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

Black filled candlesticks with long upper shadow and closing bozu indicate bearish sentiments into the market, as the prices do not sustain the higher levels. Stochastic is moving down with %k line below %D line in over sold region indicating market is in over sold condition. DAV is moving below MACD with increasing divergence indicating bearish sentiments for medium to long term. RSI indicating bearish sentiments on account of greater divergence between RSI and its moving average. Volume and open interest both increased indicating selling pressure and strength into the market.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	340.2	338.9	344.3	345.65

TRADE RECOMMENDATION:

Sell NCDEX July contract below 343.1, T1- 341.25; and stop loss at 344.25.

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

Markets	20.06.06	19.06.06	Change	Arrivals (Bags)
Jaipur (C)	1665-1670	1680-1690	-15.0	4000
Alwar(C)	1600	1600	0	1000-1500
Delhi(C)	1705	1710	-5.0	700-800
Agra(C)/Katchi Ghani	1750-1760/3975	1780-1785/4000	-30.0	-
Sri Ganganagar (NC)	1465-1470	1465-1470	0	500
Kota (NC)	1500-1520	1500-1520	0	2000

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 360 per 20 kg and groundnut oil prevailed slight up at Rs 479 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)	
	20.06.06	19.06.06
Gr Kernel	-	2425*
Bolds 60/70	-	2850*
Javas 60/70	-	3050*
Javas 70/80	-	2950*
Javas 80/90	-	2850*

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

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