

OILSEED DAILY

JUNE 24, 2006

SOYBEAN

SPOT MARKETS

Marginal improvement could be noticed in major centers owing to rainfall in few regions in Maharashtra that could help to replenish the soil moisture status. This could help to the tillage operation and therefore the traders are in view to have some demand of seeds for sowing. The recent forecast by NCMRWF indicates possibility of rainfall in the sowing region by next 4-5 days, which implies sowing demand of the seeds. As soon there will be rains the sowing will start as delayed planting could results into loss in crop yield.

FUTURES MARKETS:

NCDEX July soybean futures witnessed weak opening and tried to retrace its position as the prices were prevailing at the lowest levels. The prices then maintained its major down trend with intermittent short covering. The advancement of monsoon had a bearish impact over the market combined with the weak demand of soy oil and DOC. The contract is traded between 1265.0-1290.0 and finally closed at 1275.0.

PRICE DRIVERS:

Bullish:

1. Restricted soy seed stocks

Bearish:

1. Low demand of soy oil
2. Low crushing margin
3. Recent forecast of rains in couple of days

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

Long black filled candlesticks indicates strong bearish sentiments into the market. However lower shadow indicates some recovery on profit booking. The %K line continue to rule below the %D line indicating bearish sentiments likely to continue for some more time. DAV is continuing to move below MACD with divergence indicating bearish sentiments likely to continue for medium to long term. Price remains below the 9 and 18 days EMA indicating bearish sentiments. Volume increased while open interest decline marginally.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	1255.7	1247.0	1279.7	1292.0

TRADE RECOMMENDATION:

Sell NCDEX July contract below 1272.5, T1- 1260.0; and stop los at 1278.0.

SPOT MARKET PRICES

Centers	Market	23.06.06	22.06.06	Change	Arrivals (Bags)
Indore	Plant	1260-1280	1250-1270	+10.0	25000
Indore	Mandi	1195-1225	1200-1225	-5.0	
Maharashtra	Plant	1300-1310	1300-1310	0	8000-10000
Maharashtra	Mandi	1250-1260	1240-1250	+10.0	
Kota	Plant	1250-1260	1235-1250	+15.0	4000
Kota	Mandi	1210-1230	1200-1230	+10.0	

MUSTARD

SPOT MARKETS

Mustard prices at the spot market remain steady to range bound on account of bearish fundamentals as hefty stocks with NAFED had a bearish impact over the market. Low demand from the millers combined with low off-takes further added to its bearish tone. The prices are expected to remain range bound at this level until there should be any rain to lift up the mustard oil prices.

FUTURES MARKETS:

With gap up opening NCDEX July contract traded on the lower side as in continuation of the major trend. With the forecast of advancement of monsoon the prices of mustard seeds in the futures market decline sharply. The synergistic effect of the bearish fundamentals and progress of monsoon further added to its bearish sentiments. Low demand of mustard oil further aggravated the situation. The sentiments are expected to improve as the rains lashes over the region. The prices traded in the range between 333.05- 338.50 and finally settled at 335.05.

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. Upcoming sesamum crop

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

Long body dark candlestick indicates strong bearish sentiments into the market with relatively long lower shadow indicating retracement on the later part. %K line further moving upward after bullish cross over with %D line in over sold region indicating possible technical correction. DAV is moving below MACD with increasing divergence indicating bearish sentiments for medium to long term. RSI is in oversold region indicating possible recovery in near term. Volume increased significantly while open interest decline slightly.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	330.0	327.1	336.0	339.6

TRADE RECOMMENDATION:

Sell NCDEX July contract below 334.2, T1- 331.9; and stop loss at 335.5.

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

Markets	23.06.06	22.06.06	Change	Arrivals (Bags)
Jaipur (C)	1650	1660	-10.0	2000
Alwar(C)	1580-1590	1580-1585	0	1000-1500
Delhi(C)	1705	1690	+15.0	1000
Agra(C)/Katchi Ghani	1750/3950	1750/3925	0	-
Sri Ganganagar (NC)	1465	1465-1470	0	400
Kota (NC)	1490-1515	1520-1540	-30.0	1500

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

The spot prices of groundnut seed and oil decrease slightly on account of weak demand. Weak demand of the oil also added to its bearish tone. Concern over the weather on receiving rainfall after 4-5 days further result in slight decline. Groundnut seed in Rajkot Mandi offered at Rs 365 per 20 kg and groundnut oil prevailed slight up at Rs 485 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 18000-20000 bags in Gujarat Mandi.

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