

## OILSEED DAILY

June 2, 2006

### SOYBEAN

#### SPOT MARKETS

Slight decline in the Indore spot market was noticed while at other locations the prices remain steady. Strong bearish sentiments in the futures market weaken the spot market that's result into softening the prices. The price of soybean in spot market keep on declining in absence of any fresh demand of DOC and weakness in the soy oil.

#### FUTURES MARKETS:

NCDEX June contract opened with a wide gap and slide downward then after. The down ward movement is propelled by talk in the market about commerce ministry's proposal to cut the import duty on oilseeds and crude palm oil (CPO), which has been approved by the food ministry while agricultural ministry rejected the proposal. The proposal is now in finance ministry for consideration. Such news lowers down the sentiments of futures market. The contract traded between 1252.00-1276.00 and closed at 1257.50.

#### PRICE DRIVERS:

##### Bullish:

1. Low stocks of soy seeds.

##### Bearish:

1. Talk of cut in the import duty on oilseed and oils
2. Weak demand of DOC for export
3. Low demand by the plants

##### Weather

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

#### TECHNICALS

Solid red candlestick formation indicates strong bearish sentiments in the market amid selling pressure. Stochastic though indicating slight improvement but the gap between %D & %K is very low. MACD decline and continue to rally down with wide gap indicating bearish condition likely to continue. Volume increased slightly while open interest remains steady. Other oscillators also indicating bearish sentiments.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
June	1249.4	1238.6	1270.9	1278.7

#### TRADE RECOMMENDATION:

Sell NCDEX June contract below 1262.00, T1-1254.00; and stop loss at 1266.00

#### SPOT MARKET PRICES

Centers	Market	1.06.06	31.05.06	Change	Arrivals
Indore	Plant	1250-60	1270-1280	-20.00	35000
Indore	Mandi	1200-1220	1190-1200	-10.00	
Maharashtra	Plant	1310	1310	0	10000-15000
Maharashtra	Mandi	1250-1275	1250-1280	0	
Kota	Plant	1270-75	1270-1280	0	3500-4000
Kota	Mandi	1240-1250	1240-1250	0	

## MUSTARD

### SPOT MARKETS

Mustard seed prices at the physical market in Jaipur, Alwar and Delhi decline further while at other locations remain steady. Low demand of the mustard oil and weakness in other oils in general and soy oil in particular further pressurized the seeds to trade in a narrow zone. Huge stocks with the NAFED and stockist weaken the sentiments further.

### FUTURES MARKETS:

The futures market of June contract tried to gain initially but later on rolled back towards its opening. Recent scattered rainfalls in the plains of North and North West India helped to decline its sentiments. Hefty stocks with NAFED and low demand into the market further added to its bearish tone. Prices are expected to trade side ways in a narrow zone.

### PRICE DRIVERS:

#### Bullish:

1. Low arrivals

#### 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

Candlesticks formation indicates a Doji with long upper shadow compared to the lower shadow, which reveals weakness in the market. %D line ruling over %K indicating bearish sentiments likely to continue unless there would be bullish cross over. MACD is declining with wide gap indicating bearish trend likely to continue. Volume increased while open interest decline slightly.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
June	339.50	336.20	348.10	349.55

### TRADE RECOMMENDATION:

Sell NCDEX June contract below 345.80, T1- 341.35; and stop loss at 347.50

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

Markets	1.06.06	31.05.06	Change	Arrivals
Jaipur (C)	1690-1695	1700-1705	-10.00	1800
Alwar(C)	1625-1650	1650	-25.00	1500-2000
Delhi(C)	1725-1730	1740	-15.00	1500
Agra(C)/Katchi Ghani	1770-1775/4000	1770-1775	0	-
Sri Ganganagar (NC)	1475-1480	1475	0	1500-2000
Kota (NC)	1520-1540	1520-1550	0	1000

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET

Groundnut seed prices at the physical market remain steady on weak demand and favourable weather condition for groundnut planting as the monsoon hit the Colaba in Mumbai. Groundnut seed in Rajkot Mandi remain at Rs 342 per 20 kg and groundnut oil at Rs 450 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)	
	1.06.06	31.05.06
Gr Kernel	2350*	2360*
Bolds 60/70	2800*	2810*
Javas 60/70	3000*	3020*
Javas 70/80	2925*	2925*
Javas 80/90	2825*	2825*

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

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