

OILSEED DAILY

JUNE 15, 2006

SOYBEAN

SPOT MARKETS

The spot market decline in most of the centers closely following the futures market. Arrival of few ships at the port containing soy oil pressurized the market down. Moderate to heavy arrivals in different mandis further lower its prices in the spot market. The cloud over the Southern peninsula and some part of the Rajasthan had a bearish impact on the psychology of traders in spot market as traders are expecting revitalization of monsoon.

FUTURES MARKETS:

NCDEX July soybean futures opened weak and then followed the downtrend after short recovery. Strong selling pressure results into the decline in the sentiments. The market at the mid session decline on account of talk in the market about possible tariff reduction on palm oil. The July contract is traded in the range 1303-1318 and finally closed at 1315.

PRICE DRIVERS:

Bullish:

1. Restricted soy seed s 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

Hangman formation by the candlestick indicates possible recovery of the prices in near term. %K line is running parallel to %D line and still remain over the %D line indicating the trend likely to continue. The MACD continue to move up ward in the negative region indicating improvement in the medium to long term. The price line is ruling below both 9-days and 18-days EMA, indicating bearish sentiments. The volumes and open interest decline indicating weakness in the market condition.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	1300.0	1293.0	1336.3	1342.8

TRADE RECOMMENDATION:

Buy NCDEX July contract above 1319.3, T1- 1328.3; and stop loss at 1344.8.

SPOT MARKET PRICES

Centers	Market	14.06.06	13.06.06	Change	Arrivals (Bags)
Indore	Plant	1260-1280	1270-1290	-10.0	25000
Indore	Mandi	1210-1240	1230-1250	-20.0	
Maharashtra	Plant	1330	1350	-20.0	15000-20000
Maharashtra	Mandi	1270-1310	1290-1310	-20.0	
Kota	Plant	1265-1275	1270-1275	-5.0	3500-4000
Kota	Mandi	1240-1260	1240-1260	0	

MUSTARD

SPOT MARKETS

The mustard prices at various centers decline further amid weak demand in the physical market. The market decline as NAFED is releasing its old stocks and also wishes to release the new seed stock soon. The price at this stage is expected to move range bound and meagre chances to decline further as per dealers. The upcoming demand of mustard oil from pickle industries is expected to increase its prices.

FUTURES MARKETS:

NCDEX July contract fell down sharply on weak demand and moderate to high arrivals in Jaipur, Alwar and Kota. The market initially tried to gain strength but loose its strength on the back of speculative selling. Fund sellers dominated the session. Speculative selling further pressurized the market down on rumour about possible reduction of tariff on palm oil. The July contract was traded in the range between 351.15- 353.0 and finally settled at 351.8.

PRICE DRIVERS:

Bullish:

1. Restricted arrivals

Bearish:

1. Selling of Non conditioned mustard by ITC
2. Rumour about possible reduction of tariff on palm 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 spinning top formation reflecting complete indecisiveness into the market. Stochastic is moving up with %K line above %D line but approaching very close indicating possible bearish cross over at any time. DAV is running parallel to MACD indicating trend likely to continue for some more time. RSI remain flat beneath its moving average. Volume increased while open interest remains steady indicating less strength in the market.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	351.4	350.3	356.0	357.6

TRADE RECOMMENDATION:

Buy NCDEX July contract above 352.8, T1- 354.8; and stop loss at 353.0.

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

Markets	14.06.06	13.06.06	Change	Arrivals (Bags)
Jaipur (C)	1700-1705	1710-1725	-10.0	3000
Alwar(C)	1670-1675	1670-1680	0	2000
Delhi(C)	1720-1725	1725-1730	-5.0	500-700
Agra(C)/Katchi Ghani	1790-1800/4025	1775-1820/4050	-15.0	-
Sri Ganganagar (NC)	1480	1500-1510	-20.0	1500
Kota (NC)	1530-1560	1540-1575	-10.0	1500

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

The spot prices of groundnut moved down on weak demand. Weakness in the futures of spot and futures market for soy oil in particular and other oil in general results into the decline in prices. Groundnut seed in Rajkot Mandi offered at Rs 355 per 20 kg and groundnut oil prevailed slight up at Rs 475 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 20000-22000 bags in Gujarat Mandi.

Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kg)	
	14.06.06	13.06.06
Gr Kernel	2400*	2410*
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**

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