

## OILSEED DAILY

JULY 1, 2006

### SOYBEAN

#### SPOT MARKETS

Spot market prices in Maharashtra decline on account of huge arrivals into the market. Growers and stockists are releasing the stocks fast as they are not in favour to carry forward the stocks. While other locations the prices remain steady but lack lustre. Prices at this stage are expected to improve slightly amid some sowing demand. Spot market prices are expected to remain range bound in near terms. The sowing of soybean is started in MP on the onset of monsoon in the region. The farmers are sowing actively the variety Samrat that is ready for harvest in 90 days after sowing. The farmers are waiting for more rain in the region to get the optimum moisture content of the soil. The sowing is expected to finish by 2nd week of July in the whole country. The production and productivity of the soybean will much depend on the equitable distribution of rainfall and the period of dry spell if any.

#### FUTURES MARKETS:

NCDEX July soybean futures opened strong and then soar high on speculative buying on the rumour about possible hike in tariff value. The contract is traded between 1276.0-1285.00 and finally closed at 1284.9.

#### PRICE DRIVERS:

##### Bullish:

1. Restricted soy seed s stocks
2. Talk about increase in tariff value on soy oil

##### Bearish:

1. Monsoon progress
2. Sowing started in MP and other region
3. Recent forecast of rains in couple of days

#### Weather

Soybean should be planted from last week of June to 2<sup>nd</sup> 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 unfilled candlestick with Marubozu formation indicates strength into the market. The %K line is moving upward with %D line indicating positive sentiments likely to continue in the market. DAV remains above MACD indicating possibility of bullish trend for medium to long term. Parabolic SAR generating sell signal as verified by DMI. Price line remains in between the 9 and 18 days EMA indicating indecisiveness. Volume and open interest remains almost steady.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	1278.5	1274.3	1295.55	1299.6

#### TRADE RECOMMENDATION:

Buy NCDEX July contract above 1285.0, T1- 1292.55; and stop loss at 1281.0.

#### SPOT MARKET PRICES

Centers	Market	30.06.06	29.06.06	Change	Arrivals (Bags)
Indore	Plant	1255-1275	1250-1260	+5.0	30000
Indore	Mandi	1190-1215	1190-1215	0	
Maharashtra	Plant	1280-1300	1310-1315	-30.0	20000
Maharashtra	Mandi	1210-1240	1250-1260	-40.0	
Kota	Plant	1245-1260	1245-1255	0	3500-4000
Kota	Mandi	1205-1225	1215-1220	-10.0	

## MUSTARD

### SPOT MARKETS

Slight increase in the prices of mustard seed was seen in the markets of Jaipur and Alwar. Recent hike in the prices of mustard seeds into the market had a bullish impact over the market thereby increasing the prices into few locations. The National Agricultural Cooperative Marketing Federation has sold around 15,000 tonnes of mustard since Monday through its daily quotation process. Mustard was sold at an average price of 1,500-1,550 rupees per 100 kilogram across the country.

### FUTURES MARKETS:

NCDEX August contract of mustard opened firm and later retraced down initially and regain strength on the back of news of hiking the prices of seeds by NAFED. Speculative buying with the idea that prices were already below than the previous year during the same time results into surge in prices. Anticipation of some demand on the rainy season also results for the improvement. The market is expected to trade range bound and its futures will much depends on the demand and supply scenario. The prices traded in the range between 344.10- 348.50 and finally settled at 348.0.

### 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 unfilled candlesticks indicate strong bullish sentiments into the market with long lower shadow. %K line continues to move upward with %D line indicating bullish sentiments. DAV remains above MACD and moving upward with divergence indicating possible trend reversal but still needs to be confirmed. RSI moving upward from its average indicating bullish sentiments into the market. Volume increased while open interests remain steady.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
August	347.2	346.0	352.0	354.1

### TRADE RECOMMENDATION:

Buy NCDEX August contract above 348.60, T1- 350.5; and stop loss at 347.5.

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

Markets	30.06.06	29.06.06	Change	Arrivals (Bags)
Jaipur (C)	1690-1700	1675-1685	+15.0	3000
Alwar(C)	1610-1615	1600-1610	+10.0	1000-1500
Delhi(C)	1710	1710	0	600
Agra(C)/Katchi Ghani	1800/3950	1800/4025	0	-
Sri Ganganagar (NC)	1470	1470-1475	0	250-300
Kota (NC)	1520-1540	1520-1540	0	2000

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET

The spot prices of groundnut seed and oil remain steady. Monsoon is active over Gujarat thereby facilitating the sowing of Kharif groundnut in the region. Groundnut seed in Rajkot Mandi offered at Rs 368 per 20 kg and groundnut oil decline slightly at Rs 486 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.

### Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kg)	
	30.06.06	29.06.06
Gr Kernel	2475*	2450*
Bolds 60/70	2875*	2875*
Javas 60/70	3050*	3050*
Javas 70/80	2990*	2990*
Javas 80/90	2890*	2890*

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

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