

OILSEED DAILY

JUNE 27, 2006

SOYBEAN

SPOT MARKETS

The spot market at various markets decline on the wake of low demand as it is not getting support from soy oil and DOC. Weakness in futures market further added to its bearish tone. Speculative selling also accounts for lowering down its prices further. Weakness in the CBOT on Friday futures had a deep impact over the market sentiments. Anticipation of onset of rainfall in the growing area combined with pre-monsoonal showers also had a bearish impact over the market.

FUTURES MARKETS:

NCDEX July soybean futures opened steady to firm but later on decline on speculative selling pressure. Prices continue to follow the downtrend as the CBOT was also in lower side. The futures continue to follow its downtrend on the back of bearish fundamentals. Anticipation of rains in near term and pre monsoonal showers in different growing centers had a bearish impact over the market. The contract is traded between 1260.00-1282.0 and finally closed at 1262.0.

PRICE DRIVERS:

Bullish:

1. Restricted soy seed stocks

Bearish:

1. Low demand of soy oil
2. SEA allowed one time GEAC nod for soy oil import
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

Large filled candlestick indicating strong bearish sentiments into the market indicating intense selling pressure. The %K line remains above %D line and is moving upward indicating possible recovery. DAV is continuing to move below MACD and again started separating indicating bearish sentiments likely to continue for some more time. Parabolic SAR indicating bearish trend likely to continue in near term. Price line remains below the 9 and 18 days EMA indicating bearish sentiments. Volume increased while open interest decline slightly.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	1243.0	1238.0	1268.0	1277.0

TRADE RECOMMENDATION:

Sell NCDEX July contract below 1260.0, T1- 1250.0; and stop loss at 1265.0.

SPOT MARKET PRICES

Centers	Market	26.06.06	24.06.06	Change	Arrivals (Bags)
Indore	Plant	1240-1265	1250-1260	-10.0	25000
Indore	Mandi	1200-1210	1190-1215	+10.0	
Maharashtra	Plant	1280-1300	1300	-20.0	8000
Maharashtra	Mandi	1200-1220	1230-1240	-30.0	
Kota	Plant	1240-1250	1240-1250	0	4000
Kota	Mandi	1200-1205	1205-1225	-5.0	

MUSTARD

SPOT MARKETS

The spot market remains range bound for mustard seeds with sentiments in account of low demand of millers combined with the pressure of NAFED's selling. The traders are in the view that the prices remain range bound around this level until fresh demand rekindles. Anticipation of near term rain is expected to give some relief to the mustard in near terms. Moderate arrivals at the various centers keep the prices of mustard seeds range bound.

FUTURES MARKETS:

NCDEX July contract of mustard opened steady and traded in very narrow range. The market seems to be very confusing this time. The contract is expected to trade side ways on account of low mustard seed demand from the millers and hefty stocks with the NAFED. Selling of seeds at low prices keeps pressurizing the market down. The prices traded in the range between 333.80- 338.00 and finally settled at 337.00.

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

Small filled candle with short shadow indicates bearish sentiment into the market. %K line continue to move upward after bullish cross over with %D line in over sold region indicating possible technical correction. DAV is moving below MACD and bending upward with reduced divergence indicating some improvement. RSI is running parallel after the formation of kick back pattern. Both volume and open interest decline slightly indicating weak market condition.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	334.2	333.0	338.2	339.9

TRADE RECOMMENDATION:

Sell NCDEX July contract below 337.0, T1- 335.0; and stop loss at 338.0.

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

Markets	26.06.06	24.06.06	Change	Arrivals (Bags)
Jaipur (C)	1650-1660	1660	-10.0	2500-3000
Alwar(C)	1580-1590	1580-1590	0	1000
Delhi(C)	1685-1690	1690	-5.0	1200
Agra(C)/Katchi Ghani	1760-1770/3950	1750/3900	+10.0	-
Sri Ganganagar (NC)	1460-1465	1460	0	500
Kota (NC)	1520-1540	1520-1540	0	1500-2000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

The spot prices of groundnut seed and oil decline on weak demand. Weak demand of other oils 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 363 per 20 kg and groundnut oil decline slightly at Rs 480 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)	
	26.06.06	24.06.06
Gr Kernel	2425*	2425*
Bolds 60/70	2870*	2850*
Javas 60/70	3025*	3025*
Javas 70/80	3015*	2950*
Javas 80/90	2915*	2850*

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

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