

OILSEED DAILY

June 8, 2006

SOYBEAN

SPOT MARKETS

Soybean spot prices at different centers remain on the lower side owing to weak demand of soy seed for crushing combined with the low soy oil demand. Low crushing margin to the plants amid weak export demand of DOC restricts the crushing by the plants and therefore low demand of seeds into the market. The weak futures of the soy oil also influence the market. The market is in wait and watch condition for any news to act on.

FUTURES MARKETS:

The market opened weak and followed the downtrend on speculative selling and on the news of weak demand. The weak futures of CBOT also had a bearish impact over the market and traded low up to the mid session. The market got some strength for some time and traded sideways in a tight range. The contract traded between 1277.65-1299.00 and finally settled at 1299.00.

PRICE DRIVERS:

Bullish:

1. Low stocks of soy seeds.

Bearish:

1. Low demand of soy oil
2. Weak demand of DOC for export
3. Low crushing margin.

Weather

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

TECHNICALS

Candlestick formation indicates opening bozu. EMA is moving over the price line indicating little strength. %D line is ruling over %K line indicating positive sentiments likely to continue further. MACD is also moving above its trigger line in upward direction indicating bullish sentiments. Volume decline while open interest remain steady. The market continues to be in high volatility so trade cautiously.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
June	1288.0	1279.0	1315.0	1319.4

TRADE RECOMMENDATION:

Buy NCDEX June contract above 1299.70, T1- 1310.00; and stop loss at 1290.00

SPOT MARKET PRICES

Centers	Market	7.06.06	6.06.06	Change	Arrivals (Bags)
Indore	Plant	1250-1275	1250-1265	0	20000-22000
Indore	Mandi	1180-1205	1190-1220	-10.00	
Maharashtra	Plant	1310	1315	-5.00	10000-12000
Maharashtra	Mandi	1250-1280	1250-1280	0	
Kota	Plant	1260-1265	1260-1280	0	4000
Kota	Mandi	1220-1240	1240-1260	-20.00	

MUSTARD

SPOT MARKETS

The mustard seed prices at spot market traded in a narrow range. Majority of the centers witnessed slight decline while few centers observed marginal increase. The decline in the centers is owing to the auction by the NAFED in Kolkata, Punjab and Delhi at Rs. 1670-1690, 1530-1550 and 1725 respectively. There were less interest in the market to purchase the seeds from NAFED as the seeds are inferior in quality as per trader. If NAFED further lowers its prices for selling then plants are expected to procure the seeds but that also will results huge loss to the NAFED.

FUTURES MARKETS:

NCDEX June contract opened weak then started decline for some time on the news about current huge stock held by the NAFED and subsequent selling at different locations. The market saw some intermittent improvement but could not hold the higher levels and finally remain indecisive. The June contract traded in the range between 344.25-345.50 and finally settled at 345.05.

PRICE DRIVERS:

Bullish:

1. Low arrivals

Bearish:

1. Weak consumer demand of mustard oil.
2. NAFED to sell mustard at Kolkata, Punjab and Haryana.
3. Low volume of work in the Mandi.

Weather

Early arrival of Monsoon is expected to have bearish impact over mustard.

TECHNICALS

Doji formation by the candlestick indicates indecisiveness into the market. The EMA still remain above the price line indicating weakness into the market. The %K line again approaching towards %D line indicating possible bearish cross over. MACD is also approaching towards its trigger line for possible bearish cross over. High volatility continue to be in the market and awaiting for any clear cut trend.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
June	342.45	340.55	348.35	349.90

TRADE RECOMMENDATION:

Sell NCDEX June contract below 345.80, T1- 343.75; and stop loss at 346.80

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

Markets	7.06.06	6.06.06	Change	Arrivals (Bags)
Jaipur (C)	1680	1685-1690	-5.00	3000
Alwar(C)	1640-1650	1650-1660	-10.00	2000-3000
Delhi(C)	1728-1730	1725-1730	+3.00	1200
Agra(C)/Katchi Ghani	1785-1790/4075	1780/4075	+5.00	-
Sri Ganganagar (NC)	1475-1480	1500	-25.00	2500
Kota (NC)	1520-1560	1520-1530	0	2000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Gujarat Mandi remain closed due to local festival.

Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kg)	
	7.05.06	6.06.06
Gr Kernel	2375*	2375*
Bolds 60/70	2815*	2815*
Javas 60/70	2975*	2975*
Javas 70/80	2890*	2890*
Javas 80/90	2775*	2775*

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

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