

OILSEED DAILY

JUNE 19, 2006

SOYBEAN

SPOT MARKETS

The prices at different centers decline on weak demand of soy oil and DOC in the physical market. Prices also lack lusture on the news about revival of monsoon. Huge arrivals of soybean seeds continue to arrive in the mandis. Sowing of seeds in Karnataka is completed over 3000 hac but the crop is grown in very small area as Karnataka is non-traditional area for the crop. News regarding progress of the monsoon had also bearish impact on its prices in physical market.

FUTURES MARKETS:

NCDEX July soybean futures opened weak and followed downtrend then after on weak demand. The bearish psychology played crucial role for downfall. The prices also seem to be influenced by the weakness in the CBOT. Phase wise decline could be noticed in absence of any fresh news. The contract traded between 1309.0-1326.9 and finally settled at 1309.05.

PRICE DRIVERS:

Bullish:

1. Restricted soy seed stocks

Bearish:

1. Low demand of soy oil
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

Morobozu pattern formed by dark filled candlesticks indicates strong bearish sentiments into the market. %K line is ruling below %D line indicating bearish sentiments likely to continue. The DAV likely to made bearish cross over with MACD indicating possible bearish trend for medium to long term. The price line is below 9-days and 18-days EMA, indicating bearish sentiments into the market. The volumes and open interests decline indicating weakness into the market.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	1296.0	1289.0	1316.6	1326.4

TRADE RECOMMENDATION:

Sell NCDEX July contract below 1310.0, T1- 1299.0; and stop loss at 1315.0.

SPOT MARKET PRICES

Centers	Market	17.06.06	16.06.06	Change	Arrivals (Bags)
Indore	Plant	1250-1275	1260-1275	-10.0	25000-30000
Indore	Mandi	1200-1240	1230-1240	-30.0	
Maharashtra	Plant	1330-1340	1330	0	12000
Maharashtra	Mandi	1280-1310	1280-1310	0	
Kota	Plant	1250-1260	1265-1275	-5.0	6000
Kota	Mandi	1215-1235	1240-1255	-25.0	

MUSTARD

SPOT MARKETS

The mustard prices at different centers further decline on account of low demand of mustard oil and seed as per dealers. Selling of mustard seed by the NAFED continue to pressurize the market down, as the seeds sold by the NAFED are much below the Mandi rate. Prices are further expected to slide down by Rs. 25 to 50. Progress of monsoon had a bearish impact over the market.

FUTURES MARKETS:

NCDEX July contract opened weak and taken a dip for consecutive two hourly session on weak demand of mustard oil in particular and other oil in general. Selling of mustard seeds in the Ganganagar and Kota dominated the session with bearish sentiments. On the later part of the trading session the market recover slightly on profit booking. Revival of monsoon further added to its bearish tone. The July contract was traded in the range between 347.00- 350.00 and finally settled at 347.50.

PRICE DRIVERS:

Bullish:

1. Restricted arrivals

Bearish:

1. Selling of Non conditioned mustard by ITC and NAFED
2. Reduction of tariff on palm oil and Soy 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

Dark long candlestick with small lower shadow indicating bearish sentiments into the market. Stochastic is moving down with %K line below %D line indicating bearish sentiments likely to continue. DAV is moving below MACD indicating bearish sentiments likely to continue in the market. RSI indicating strong bearish divergence indicating strong bearish sentiments into the market. Volume increased while open interest remains steady indicating lower strength into the market.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	344.1	342.6	350.0	351.0

TRADE RECOMMENDATION:

Sell NCDEX July contract below 348.0, T1- 346.0; and stop loss at 349.0.

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

Markets	17.06.06	16.06.06	Change	Arrivals (Bags)
Jaipur (C)	1690-1695	1700	-10.0	2500
Alwar(C)	1600	1620-1625	-20.0	2000
Delhi(C)	1720	1725	-5.0	700
Agra(C)/Katchi Ghani	1780/4050	1790/4080	-10.0	-
Sri Ganganagar (NC)	1465-1470	1465-1475	0	1500
Kota (NC)	1500-1530	1500-1540	0	1500

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

The spot prices of groundnut seed and oil traded range bound. Demand from retailer end also helped to support the market up. Groundnut seed in Rajkot Mandi offered at Rs 365 per 20 kg and groundnut oil prevailed slight up at Rs 485 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 bags in Gujarat Mandi.

Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kg)	
	17.06.06	16.06.06
Gr Kernel	2450*	2440*
Bolds 60/70	2850*	2850*
Javas 60/70	3050*	3050*
Javas 70/80	2950*	2950*
Javas 80/90	2850*	2850*

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

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.