

OILSEED DAILY

JULY 17, 2006

SOYBEAN

SPOT MARKETS

Soybean prices keep on rising on the back of high demand and reduced arrivals into the market. Improvement in the soy oil prices combined with the improvement in soy meal further provided additional support to the market. The prior target set by the agriculture department of MP to grow soybean in 46 lakh hectares looks difficult when the rainfall is deficient and expectation of rainfall is meager. The agri-department advised farmers to grow short duration coarse grains to face drought in the state.

FUTURES MARKETS:

NCDEX August soybean futures opened firm and maintained its rally for most of the time. Speculative buying on the back of firmness in futures of soy oil and Vanaspati results into the strong improvement into the sentiments. NOPA crush report also had bullish impact on NCDEX. Slight decline was noticed on later part of the trading session indicating short covering and profit booking. Most active August contract traded in between 1322.0-1336.0 and closed at 1333.25

PRICE DRIVERS:

Bullish:

1. Poor soy seed stocks
2. Decline arrival
3. Hike in tariff on soy and palm oil

Bearish:

1. Monsoon progress
2. Sowing started in MP and other region

Weather

The planting of soybean is started in MP though there is no official data yet available. As per growers the climate looks favourable for sowing in MP and Maharashtra. Tilling operation is nearly completed and waiting for fresh showers for optimum moisture content of the soil.

TECHNICALS

Long unfilled Candlesticks with short upper and lower shadow indicating bullish sentiments into the market. %K line ruling over its %D line and just touched the over bought region, indicating possible consolidation in near terms. DAV is moving above its MACD and entered into positive territory indicating bullish sentiments. RSI is also indicating to firmness of soybean prices. Volume increased significantly while open interest increased marginally.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
August	1326.6	1320.0	1351.2	1359.5

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX August contract above 1336.10, T1- 1344.4 and stop loss at 1331.0.

SPOT MARKET PRICES

Centers	Market	15.07.06	14.07.06	Change	Arrivals (Bags)
Indore	Plant	1285-1290	1255-1270	+30.0	40000
Indore	Mandi	1200-1240	1200-1230	0	
Maharashtra	Plant	1315-1320	1300	+15.0	25000
Maharashtra	Mandi	1240-1260	1250-1270	+10.0	
Kota	Plant	1285-1290	1255-1270	+30.0	4500-5000
Kota	Mandi	1220-1240	1220-1240	0	

MUSTARD

SPOT MARKETS

The mustard seed prices further increased in few locations while the prices remain steady at others. Recent government intervention to blend mustard oil with Vanaspati results into the significant increase in prices of Vanaspati, which in turn support other oils. Improvement in soy oil futures also support the market up. High demand of mustard oil and palm oil results into high crushing demand of mustard seeds.

FUTURES MARKETS:

NCDEX August contract open firm on speculative buying and strong improvement could then be noticed for initial hour. The sentiments remain indecisive for most of the time as prices seems to stagnant at this stage. Prices again improved later part of the trading session and touch the highest value at end of the day. The prices traded within the range of 356.60-358.80 and finally settled at 358.80.

PRICE DRIVERS:

Bullish:

1. Declined arrivals
2. Blending of 20% mustard oil with Vanaspati now is mandatory
3. Good edible oil demand

Bearish:

1. Selling of Non conditioned mustard by ITC and NAFED
2. Canalization of Vanaspati import by NAFED

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

Unfilled candlesticks with short upper shadow with open bozu formation indicate bullish sentiments into the market. %K line moving above its %D line in over bought region indicating possible consolidation. DAV is moving upward along with MACD and reached in positive territory indicating the bullish sentiments likely to continue for medium and long term. RSI indicating firmness in the market. Volume decline while open interests remain steady.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
August	356.00	354.40	361.45	363.00

TRADE RECOMMENDATION:

Buy NCDEX August contract above 358.20, T1- 360.00, and stop loss at 357.00.

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

Markets	15.07.06	14.07.06	Change	Arrivals (Bags)
Jaipur (C)	1770-1780	1760-1770	+10.0	5000
Alwar(C)	1670-1680	1645-1650	+25.0	1000-1500
Delhi(C)	1760	1760	0	300-400
Agra(C)/Katchi Ghani	1810/4050	1810/4050	0	-
Sri Ganganagar (NC)	1500-1510	1500	+10.0	300
Kota (NC)	1560-1600	1560-1580	0	1500

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

The prices improved on the improvement in almost all the oils combined with the improved sentiments into soy oil futures. The prices are expected to remain on the higher levels. Groundnut seed in Rajkot Mandi offered at Rs 383 per 20 kg and groundnut oil increased slightly at Rs 515 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 12000-15000 bags in Gujarat Mandi.

Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kg)	
	15.07.06	14.07.06
Gr Kernel	2590*	-
Bolds 60/70	3100*	-
Javas 60/70	3175*	-
Javas 70/80	3125*	-
Javas 80/90	3050*	-

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

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