

OILSEED DAILY

JULY 13, 2006

SOYBEAN

SPOT MARKETS

The soybean prices remain mixed in majority of the centers while Kota Mandi witnessed slight decline. The improvement is owing to some demand of soybean seeds and high demand of soy oil from Maharashtra. The soy oil is transported from MP to Maharashtra as per dealer, thereby supporting the prices of soybean seeds.

FUTURES MARKETS:

NCDEX August soybean futures opened weak and traded with a bearish note. The next one hour witnessed considerable improvement on account of speculative buying. Short covering and profit booking at this stage results into sharp decline in its prices for consecutive three hours. It also got some strength from soy oil as well after the mid session but finally ended with bearish note. Most active August contract opened weak at Rs.1316.1 and traded in between 1309.0-1321.7 and closed at 1313.00

PRICE DRIVERS:

Bullish:

1. Poor soy seed stocks
2. Decline arrival
3. Weak Import of Edible oil in this year

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

Small body unfilled Candlesticks with upper long and relatively small shadow indicating indecisiveness into the market. %K line ruling over its %D line at neutral region, indicating bullish sentiments. DAV is moving above its MACD but in the negative territory indicating slight bullish sentiments. RSI is also indicating to firmness of soybean prices. Volume and open interest both decreased indicating weakness into the market.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
August	1307.4	1301.5	1329.6	1333.3

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX August contract below 1320.0, T1- 1309.0 and stop loss at 1325.5.

SPOT MARKET PRICES

Centers	Market	12.07.06	11.07.06	Change	Arrivals (Bags)
Indore	Plant	1255-1275	1240-1255	+15.0	45000
Indore	Mandi	1195-1215	1180-1205	+15.0	
Maharashtra	Plant	1300	1300-1305	0	20000-25000
Maharashtra	Mandi	1240-1260	1240-1270	0	
Kota	Plant	1250-1260	1245-1255	+5.0	4000-6000
Kota	Mandi	1190-1225	1200-1220	-10.0	

MUSTARD

SPOT MARKETS

The mustard seed prices in the major spot market increased in almost all the centers amid high rains combined with low arrivals. The prices also got support from the millers as they are procuring the seeds from Mandi. The Vanaspati manufactures closely watching the situation of recent notification by the GoI for blending 20% mustard oil in Vanaspati. High demand of mustard oil also helped to support the market up.

FUTURES MARKETS:

NCDEX August contract of mustard seed witnessed weak opening and decline initially but soon get momentum to fetch the days high. Some short covering and profit booking was witnessed then after during the course of time. The market witnessed some rally thereof indicating strong buying pressure and got strength from the strong prices in the spot market. Finally the market witnessed decline and closed with a bearish note. The prices traded within the range of 352.25-354.50 and finally settled at 354.00.

PRICE DRIVERS:

Bullish:

1. Declined arrivals
2. Blending of 20% mustard oil with Vanaspati now is mandatory
3. Sowing Pressure

Bearish:

1. Selling of Non conditioned mustard by ITC and NAFED
2. Monsoon in Rajasthan
3. 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

Small body filled candlesticks with upper and lower shadow indicating indecisiveness into the market with positive tone. %K line moving above its %D line indicating bullish sentiments. DAV is moving upward along with MACD indicating the bullish sentiments likely to continue for medium and long term. RSI is moving upward, indicating bullish sentiments. Volume decline while open interests remain steady.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
August	353.0	352.0	357.0	358.4

TRADE RECOMMENDATION:

Buy NCDEX **August** contract between 354.55, T1- 356.30, and stop loss at 353.50.

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

Markets	12.07.06	11.07.06	Change	Arrivals (Bags)
Jaipur (C)	1735	1715-1720	+20.0	2500-3000
Alwar(C)	1625-1630	1620-1625	+5.0	500
Delhi(C)	1750	1735	+15.0	200-300
Agra(C)/Katchi Ghani	1800/4000-4025	1800/4075	0	-
Sri Ganganagar (NC)	1475	1470	+5.0	300
Kota (NC)	1520-1550	1500-1540	+20.0	400-450

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

The prices remain steady at major mandis in the country due to steady arrival, sowing demand and good demand from the buyers. The prices are expected to move in the narrow range. Groundnut seed in Rajkot Mandi offered at Rs 375 per 20 kg and groundnut oil increased slightly at Rs 502 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 15000-18000 bags in Gujarat Mandi.

Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kg)	
	12.07.06	11.07.06
Gr Kernel	2550*	2500*
Bolds 60/70	3050*	3000*
Javas 60/70	3150*	3100*
Javas 70/80	3025*	2975*
Javas 80/90	3000*	2950*

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

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