

## OILSEED DAILY

JULY 10, 2006

### SOYBEAN

#### SPOT MARKETS

The prices at Indore spot market decline amid low volume of trade in soymeal and soy oil. The prices of soybean seed is expected to remain on the lower level until new demand for crushing rekindle.

#### FUTURES MARKETS:

NCDEX July soybean futures opened mostly weak and traded bearish throughout the trading session on Saturday. The main bullish factor for bearish market was weak soy oil prices and weak spot prices. Most active July contract opened at Rs.1270.50 and settled down by Rs.6.20 at Rs.1265 and traded between 1265-1273 on Saturday.

#### PRICE DRIVERS:

##### Bullish:

1. Restricted soy seed stocks
2. Expected increase in soy oil demand

##### 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

Filled candlesticks indicating bearish sentiments. %K line ruling just above %D line indicating bullish sentiments. DAV aligns with MACD with the formation of kick back pattern indicating bullish sentiments likely to continue for medium to long term. RSI is lying below its average and remain parallel indicating bearish sentiments into the market. %R is improving but could not be able to justify the possible trend. Volume decreased and open interest increased marginally.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	1260	1255	1270	1275

#### TRADE RECOMMENDATION:

**Sell** NCDEX July contract below 1270, T1- 1260 and stop loss at 1275.

#### SPOT MARKET PRICES

Centers	Market	8.07.06	7.07.06	Change	Arrivals (Bags)
Indore	Plant	1240-1260	1255-1275	-15.00	40000
Indore	Mandi	1180-1210	1200-1235	-20.00	
Maharashtra	Plant	1305-1310	1305-1310	0	10000-12000
Maharashtra	Mandi	1230-1270	1230-1260	0	
Kota	Plant	1240-1260	1240-1250	0	5000
Kota	Mandi	1200-1215	1200-1210	0	

## MUSTARD

### SPOT MARKETS

The sentiments of mustard seed increased after the Government intervention of blending 20% of mustard oil with vanaspati. The traders are stocking seeds from the market which results into the price rise into physical market in few centers. The prices are expected to increase in near term in different center amid possible increase in demand.

### FUTURES MARKETS:

NCDEX August contract of mustard opened strong and then soared to high amidst the talk of blending mustard oil with vanaspati and strong spot prices. The prices settled slight down from day's higher level. Most active August contract settled at Rs.350.60, up by Rs.1.45 following strong opening at Rs.349.40 and traded within the range of Rs.349.35-351.45 Saturday.

### PRICE DRIVERS:

#### Bullish:

1. Restricted arrivals
2. Blending of 20% mustard oil with Vanaspati now is mandatory

#### Bearish:

1. Selling of Non conditioned mustard by ITC and NAFED
2. Low demand of mustard seed and oil.
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 unfilled candlesticks with short upper long shadow and comparatively short lower shadow indicating to slight bullish market. %K line moving above %D line indicating bullish sentiments into the market. DAV is moving upward along with MACD indicating the bullish sentiments. RSI is moving upward with its average with divergence indicating bullish sentiments likely to continue. Volume decreased while open interests remain steady.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
August	350.0	348.0	352.0	354.0

### TRADE RECOMMENDATION:

**Buy** NCDEX **August** contract below 350.65, T1- 352.00, and stop loss at 349.65.

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

Markets	8.07.06	7.07.06	Change	Arrivals (Bags)
Jaipur (C)	1715-1720	1700	+15.00	2500
Alwar(C)	1625-1630	-	-	200-300
Delhi(C)	1730	1730-1735	0	400
Agra(C)/Katchi Ghani	1800/4010	1790/4050	+10.00	-
Sri Ganganagar (NC)	1470	1470	0	200
Kota (NC)		1530-1560		1000

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET

Improved demand continue increase the groundnut prices in the market. The prices are expected to move in the narrow range. Groundnut seed in Rajkot Mandi offered at Rs 371 per 20 kg and groundnut oil decline slightly at Rs 496 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 bags in Gujarat Mandi.

### Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kg)	
	8.07.06	7.07.06
Gr Kernel	2500*	2500*
Bolds 60/70	3000*	3000*
Javas 60/70	3100*	3100*
Javas 70/80	2975*	2975*
Javas 80/90	2950*	2950*

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

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