

## OILSEED DAILY

JULY 15, 2006

### SOYBEAN

#### SPOT MARKETS

Soybean prices at most of the spot market increased on the back of firmness in the futures market. The demand of soybean in near term increased on moderate demand of oil and meal. Improvement of soy oil in the spot further provided additional support to the soybean prices. Today's hike in tariff rate on crude soybean oil and palm oil has bullish impact over the prices of soybean.

#### FUTURES MARKETS:

NCDEX August soybean futures opened firm and traded and spurt high and touch the days high on talk about tariff hike on crude soy oil and palm oil. Then the market traded on side ways up to the mid session and decline after wards on short covering. Some improvement could be seen but the higher levels could not be achieved and finally ended with bearish note. Most active August contract traded in between 1316.0-1325.0 and closed at 1318.0

#### 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

Small body unfilled Candlesticks with upper long shadow indicating open bozu formation indicating low to moderate strength into the market. %K line ruling over its %D line at neutral region, indicating bullish sentiments. DAV is moving above its MACD and touched its central line indicating bullish sentiments. RSI is also indicating to firmness of soybean prices. Volume increased marginally while open interest remains steady.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
August	1309.0	1305.0	1326.7	1333.4

#### TRADE RECOMMENDATION: (Intraday)

Buy NCDEX August contract near 1314.0, T1- 1322.0 and stop loss at 1310.0.

#### SPOT MARKET PRICES

Centers	Market	14.07.06	13.07.06	Change	Arrivals (Bags)
Indore	Plant	1255-1270	1245-1260	+10.0	50000
Indore	Mandi	1200-1230	1195-1220	+5.0	
Maharashtra	Plant	1300	1300	0	20000
Maharashtra	Mandi	1250-1270	1240-1270	+10.0	
Kota	Plant	1255-1270	1250-1260	+5.0	6000
Kota	Mandi	1220-1240	1200-1225	+20.0	

## MUSTARD

### SPOT MARKETS

The mustard seed prices in the major spot market increased in almost all the centers amid high demand by the millers. Spot market also gained strength from the improvement in other oils. NAFED increased slightly its selling prices in the Kota division at Rs. 1575 which provided additional support to the mustard seed prices. High demand of mustard oil also helped to support the market up. Recent hike in the tariff value on the soy oil and palm results into the steep rises the prices in the spot market.

### FUTURES MARKETS:

NCDEX August contract open firm on strong buying support and maintained its up trend till noon. Slight decline in prices could be seen then after and the contract traded side ways for some time. Prices again improved for a while with strong bullish sentiments but could not be able to sustain the higher levels and finally ended with slight bearish tone. The prices traded within the range of 353.60-356.60 and finally settled at 355.70.

### 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 long body candlesticks with short upper shadow indicate bullish sentiments into the market. %K line moving above its %D line and reached 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 increased while open interests remain steady.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
August	354.55	353.00	360.35	361.60

### TRADE RECOMMENDATION:

Buy NCDEX August contract above 356.10, T1- 358.35, and stop loss at 354.95.

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

Markets	14.07.06	13.07.06	Change	Arrivals (Bags)
Jaipur (C)	1760-1770	1735-1740	+25.0	4000
Alwar(C)	1645-1650	1630-1640	+15.0	500-700
Delhi(C)	1760	1760	0	700
Agra(C)/Katchi Ghani	1810/4050	1800/4025-4050	0	-
Sri Ganganagar (NC)	1500	1480	+20.0	-
Kota (NC)	1560-1580	1540-1560	+20.0	2000

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET

The prices improved further on high export of groundnut seeds from Gujarat thereby supporting the oil also. The prices are expected to remain on the higher levels. Groundnut seed in Rajkot Mandi offered at Rs 380 per 20 kg and groundnut oil increased slightly at Rs 509 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)	
	14.05.06	13.07.06
Gr Kernel	-	2560*
Bolds 60/70	-	3075*
Javas 60/70	-	3150*
Javas 70/80	-	3050*
Javas 80/90	-	3025*

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

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