

## OILSEED DAILY

JULY 31 2006

### SOYBEAN

#### SPOT MARKETS

Trade remained steady with a bearish undertone due to good arrival and steady demand. In most of the mandis at MP, Maharashtra and Rajasthan, it was offered on lower prices. Ongoing rainfall has also adversely affected the soybean trade. Sowing in most part of the country is completed and traders expect a good harvest this year. Some soy oil companies in MP have initiated to procure soybean directly from farmers at their designated procurement centers popularly known as "Direct Procurement Centers" (DPCs). Companies have to procure the produce at the prevailing mandi rate and deals are executed before a mandi representative. These centers are expected to eliminate the middleman thus ensuring relatively higher returns to the farmers. Further these centers also ensure the measurement accuracy and wastage minimization.

#### FUTURES MARKETS:

The NCDEX soybean remained firm on Saturday and all the active contracts traded with positive sentiments. The international market sentiments also remained firm. Most active August contract traded in between 1282-1287.50 and closed at 1286. The futures are expected to trade in a range bound with a slight bullish undertone.

#### PRICE DRIVERS:

1. Bullish sentiments at CBOT
2. Talk about alteration of tariff value
3. Steady spot demand
4. Ongoing festival season

#### Weather

Heavy to very heavy rainfall likely at a few places over Gangetic West Bengal, Orissa, Konkan & Goa (including Mumbai), Madhya Maharashtra and Gujarat Region. Isolated heavy falls also likely over East Rajasthan, Madhya Pradesh, Chhattisgarh, Jharkhand, Telangana and Vidarbha.

#### TECHNICALS

In the August contract candlestick pattern exhibited firm sentiments. Price closed below the 9-days and 18-days EMA. %K line made a bullish crossover to the %D line in the oversold region. Gap between DAV has just touched the MACD from below in the negative region. RSI is above the smooth average in the neutral region. Volume declined significantly while open interest slightly declined on Saturday.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
August	1284	1282	1295	1297

#### TRADE RECOMMENDATION: (Intraday)

Buy NCDEX August contract near 1287.50, T1-1292.50, and stop loss at 1285.0

#### SPOT MARKET PRICES

Centers	Market	29.07.06	28.07.06	Change	Arrivals (Bags)
Indore	Plant	1250-1265	1260-1270	-5	33000-40000
Indore	Mandi	1220-1225	1200-1230	-5	
Maharashtra	Plant	1300	1305-1310	-10	20000-25000
Maharashtra	Mandi	1220-1260	1240-1250	+10	
Kota	Plant	1240-1260	1265-1270	-10	1500-2000
Kota	Mandi	1200-1225	1200-1235	-10	

## MUSTARD

### SPOT MARKETS

The mustard spot market remained steady on firm demand in the major mandis at Rajasthan. Prices hovered in the previous price range at Jaipur, Delhi and Sri Ganganagar while it was offered at slightly higher prices at Alwar and Kota due to increased demand. Rain has slowed down the trade at few mandis due to weak arrival and low demand. No major change is expected in the mustard seed prices scenario in spot market.

### FUTURES MARKETS:

Most of the active contracts at the NCDEX exhibited firm sentiments, as bulls remained dominated in the market. International price situation also had a positive impact on the domestic futures market. The most active August Contract hovered between 348.60-350.00 and closed at 350.00. Slight bullish sentiments are expected in the futures market.

### PRICE DRIVERS:

1. Steady spot market
2. Talk about alteration of tariff value
3. Firm sentiments in the International markets

### Weather

Heavy to very heavy rainfall likely at a few places over Gangetic West Bengal, Orissa, Konkan & Goa (including Mumbai), Madhya Maharashtra and Gujarat Region. Isolated heavy falls also likely over East Rajasthan, Madhya Pradesh, Chhattisgarh, Jharkhand, Telangana and Vidarbha.

### TECHNICALS

Candlestick pattern exhibited bullish sentiments in the mustard seed market. %K line remained below the % D line in the oversold region. DAV is about to touch MACD in the negative region. RSI ruled above the smooth average line in neutral region. Volume declined significantly while open interest slightly declined. Price line has just crossed the 9-days EMA.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
August	348.70	348.00	352.00	352.30

### TRADE RECOMMENDATION:

**Buy** NCDEX **August** contract near 350.30, T1- 351.70 and stop loss at 349.60.

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

Markets	29.07.06	28.07.06	Change	Arrivals (Bags)
Jaipur (C)	1740	1735-1740	-	5000
Alwar(C)	1635-1640	1630-35	+5	400-500
Delhi(C)	1750	1750	-	400
Agra(C)/Katchi Ghani	1810/4070	1820/4070	-10	-
Sri Ganganagar (NC)	1485-1490	1490	-	200
Kota (NC)	1540-1560	1500-1540	+20	1000

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET

Groundnut market remained steady with bullish undertone amidst firm demand. Groundnut seed in Rajkot Mandi offered at Rs 380 per 20 kg and groundnut oil increased slightly at Rs 517 per 10 kg. Arrivals of seed were recorded nearly at 15000 bags in Gujarat Mandi.

### Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kg)	
	29.07.06	28.07.06
Gr Kernel	2610*	2610*
Bolds 60/70	3225*	3225*
Javas 60/70	3275*	3300*
Javas 70/80	3200*	3225*
Javas 80/90	3125*	3125*

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

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