

OILSEED DAILY

JULY 28 2006

SOYBEAN

SPOT MARKETS

Soybean markets continued to see dull trend. Demand for the seed has declined from crushing plants. According to traders, demand for soybean has declined from the crushing plant with the slowing pace of soy meal export. Soy oil markets is already depressed due to increased availability of imported soy oil. According to latest data of Solvent Extractors' Association of India (SEA), import of soyoil is continuing with more or less same pace as of last year. On weather front, improved situation has been reported from all the major producing areas. Advises from overseas markets also remained weak. Fundamentally, there was nothing friendly for soy.

FUTURES MARKETS:

The futures market for soybean settled slight up following mostly weak opening amidst speculative buying at lower level. The profit booking at lower level also provided support to the futures market. Prices are expected to remain firm in the coming days. Most active August contract traded in between 1272.20-1280.50 and closed at 1277.

PRICE DRIVERS:

Bearish:

1. Improved weather in major producing areas
2. Lower demand from crushers
3. Global weakness due to favourable weather.

Weather

Rainfall activity is likely to increase over Madhya Pradesh, Telangana, Maharashtra including Goa and Gujarat and ongoing fairly widespread rainfall activity with isolated heavy falls over western Himalayan region and plains of northwest India is likely to continue during next 24 hours and decrease gradually thereafter.

TECHNICALS

Candlestick formation indicating some bullish sentiments in the August Soybean futures. The EMA is far above the price line. %K line is moving away from % D line and the gap between them has widened. Gap between DAV and MACD has also widened. Volume significantly declined while open interest slightly declined today as against yesterday.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
August	1272.20	1265.20	1285.70	1290.50

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX August contract above 1275, T1-1282.20 and stop loss at 1271.50.

SPOT MARKET PRICES

Centers	Market	27.07.06	26.07.06	Change	Arrivals (Bags)
Indore	Plant	1260-1270	1260-1280	-10	10000
Indore	Mandi	1200-1230	1210-1230	-	
Maharashtra	Plant	1305-1310	1305-1310	-	12000
Maharashtra	Mandi	1240-1250	1240-1260	-10	
Kota	Plant	1265-1270	1265-1270	-	2500
Kota	Mandi	1200-1235	1220-1225	+10	

MUSTARD

SPOT MARKETS

Mustard markets continued to see steady trend. Crushing has slowed with the dwindling demand of Rape DOC on export front. Demand, however, is still good for Kacchi ghani from the eastern states. NAFED selling in some areas of Rajasthan also, which also had put any kind of bullish tendencies under check.

FUTURES MARKETS:

The futures market for mustard seed witnessed slight bearish Thursday. On the other hand, the government might decrease the issue prices of mustard. All the active contracts traded with bearish undertone. The futures market opened steady and went to high but fell down after that. The prices are expected to remain bearish in the coming days also.

PRICE DRIVERS:

Bullish:

1. Mandatory blending of 20% mustard oil with Vanaspati

Bearish:

1. Lower demand
2. Removal of restriction from imported GM soy oil
3. Global weakness due to favourable weather.

Weather

Rainfall activity is likely to increase over Madhya Pradesh, Telangana, Maharashtra including Goa and Gujarat and ongoing fairly widespread rainfall activity with isolated heavy falls over western Himalayan region and plains of northwest India is likely to continue during next 24 hours and decrease gradually thereafter.

TECHNICALS

Candlestick pattern exhibited indecision market. %K line moved away from % D line and the gap between them widened. Gap between DAV and MACD has also widened and both are in negative territory. Volume and open interest declined. EMA is far above the price line. The technical indicators suggest bearish undertone in the market.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
August	345.70	344.00	347.20	349.50

TRADE RECOMMENDATION:

Sell NCDEX August contract near 348.00, T1-346.20 and stop loss at 349.

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

Markets	27.07.06	26.07.06	Change	Arrivals (Bags)
Jaipur (C)	1725-1730	1735-1740	-10	4000
Alwar(C)	1635-1640	1640-1650	-10	500-600
Delhi(C)	1740	1735	+5	800-900
Agra(C)/Katchi Ghani	1800/4050	1800/4050	-	0
Sri Ganganagar (NC)	1480	1500	-20	200-250
Kota (NC)	1500-1535	1500-1535	-	1000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Weather is friendly for the crop in the entire major groundnut producing areas. Major groundnut seed growing areas are Rajkot, Junagadh, Jamnagar, Amreli, Bhavnagar and Surendranagar districts in Gujarat. Sowing of the groundnut has mostly been completed. Groundnut seed in Rajkot Mandi offered at Rs 380 per 20 kg and groundnut oil declined slightly at Rs 512 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)	
	27.07.06	26.07.06
Gr Kernel	2625*	2625*
Bolds 60/70	3200*	3200*
Javas 60/70	3300*	3300*
Javas 70/80	3225*	3225*
Javas 80/90	3150*	3150*

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

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