

## OILSEED DAILY

JULY 29 2006

### SOYBEAN

#### SPOT MARKETS

Soybean markets observed steady to weak trend. Arrivals remained low in all the producing belts due to rains. Off-take for the same remained poor from the crushing plants. Most of the plants are reported to have been closed for annual maintenance. Sowing of the same is progressing well. Delayed rains in some areas did not affect the decision of farmers. Latest crop report released by Soybean Processors' Association of India (SOPA), sowing of soybean had been done in 69.391 lakh hectares by end of second week of July against 76.720 lakh hectares sown in 2005-06.

#### FUTURES MARKETS:

Soybean futures opened firm and kept floating higher in the positive territory through the day. Day's high was set at Rs 1286.50 per qtl near 11.15 am. Open Interest kept falling, which shows timely rollover of position by the participants to the later months. Soybean August contract ended up Rs 7 at Rs 1282 per qtl.

#### PRICE DRIVERS:

##### Bearish:

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

##### Weather

Under its influence widespread rainfall activity with scattered heavy to very heavy falls is likely over Orissa, Chhattisgarh, north Coastal Andhra Pradesh, Telangana during next 2-3 days. Rainfall activity is likely to increase subsequently over Madhya Pradesh, Maharashtra, (including Mumbai), Goa and Gujarat gradually thereafter..

#### TECHNICALS

White Candlestick body has formed 'short day' pattern. Big upper shadow shows underlying weakness. Prices closed below both the slow and fast EMA. Stochastic oscillator is falling further downward into oversold zone. MACD is in negative territory and slanting southward.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
August	1278.5	1275	1286	1290

#### TRADE RECOMMENDATION: (Intraday)

Sell NCDEX August contract above 1282, T1-1279.00 and stop loss at 1283.50.

#### SPOT MARKET PRICES

Centers	Market	28.07.06	27.07.06	Change	Arrivals (Bags)
Indore	Plant	1260-1270	1260-1270	-	8500
Indore	Mandi	1200-1230	1200-1230	-	
Maharashtra	Plant	1305-1310	1305-1310	-	12500
Maharashtra	Mandi	1240-1250	1240-1250	-	
Kota	Plant	1265-1270	1265-1270	-	2500
Kota	Mandi	1200-1235	1200-1235	-	

## MUSTARD

### SPOT MARKETS

Rapeseed markets observed regular demand from the crushers. Though demand for rape DOC decline slightly on the export front, crushing of rapeseed continued with the similar pace following regular demand for rape oil (Kachhi ghani) from eastern states. Demand for mustard oil usually remains good in rainy season. Sources informed that export demand for rape DOC has slowed for the time being, as no big consignment is due before mid-August.

### FUTURES MARKETS:

Mustard August contract opened up and futures set out moving higher soon after starting of the session. Futures peaked to Rs 349.90 per 20 kg by 11.05 am. This rally in initial hour is followed by sharp selling for profit booking and futures shed what it gained in initial hour by 12.40 pm. Futures rose further, but could not exceed level above 349.60. August contract finished up Rs 1.70 at Rs 348.70 per 20 kg.

### 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

Under its influence widespread rainfall activity with scattered heavy to very heavy falls is likely over Orissa, Chhattisgarh, north Coastal Andhra Pradesh, Telangana during next 2-3 days. Rainfall activity is likely to increase subsequently over Madhya Pradesh, Maharashtra, (including Mumbai), Goa and Gujarat gradually thereafter.

### TECHNICALS

White Candlestick body has formed 'short day' pattern. Big upper shadow shows limited upside potential. Prices closed below both the 9-days and 18-days EMA. %k line is running below %d line and is in oversold zone. MACD has just made centerline crossover and falling further down into negative territory..



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
August	347.70	346.80	349.7	350.8

### TRADE RECOMMENDATION:

**Sell** NCDEX August contract near 348.90, T1-347.80 and stop loss at 349.50.

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

Markets	28.07.06	27.07.06	Change	Arrivals (Bags)
Jaipur (C)	1725-1730	1725-1730	-	4200
Alwar(C)	1635-1640	1635-1640	-	700
Delhi(C)	1740	1740	-	900
Agra(C)/Katchi Ghani	1800/4050	1800/4050	-	0
Sri Ganganagar (NC)	1480	1480	-	200-250
Kota (NC)	1500-1535	1500-1535	-	1200

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET

Sentiments remained firm in groundnut markets. Sowing of the same is completed in almost all the major producing areas. In Kharif season, Groundnut crop is mainly grown in Gujarat, AP, Tamilnadu, Karnataka, Maharashtra and Rajasthan. Weather situation is satisfactory in most areas except Andhra Pradesh, which is second largest producing state after Gujarat. Situation is little concerning in AP due to lack of sufficient rains. 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)	
	28.07.06	27.07.06
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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