

## OILSEED DAILY

JULY 20, 2006

### SOYBEAN

#### SPOT MARKETS

Soybean traded weak in the major mandis in MP, Maharashtra and Rajasthan where it was offered at lower prices as against yesterday amid weak demand and higher supply. The soybean spot market is likely to witness range bound trade in the near future.

#### FUTURES MARKETS:

At the NCDEX the delivery intention of sellers for soybean remains at 100 MT at Indore and 1890 MT in Kota, which further added to the bearish tone into the market. NCDEX August soybean futures opened very weak and speculative selling pressurised the prices to move downward. Most active August contract traded in between 1299-1316 and closed at 1299. Futures market is likely to witness bearish sentiments in coming days.

#### PRICE DRIVERS:

##### Bullish:

1. Increased tariff on soy and palm oil

##### Bearish:

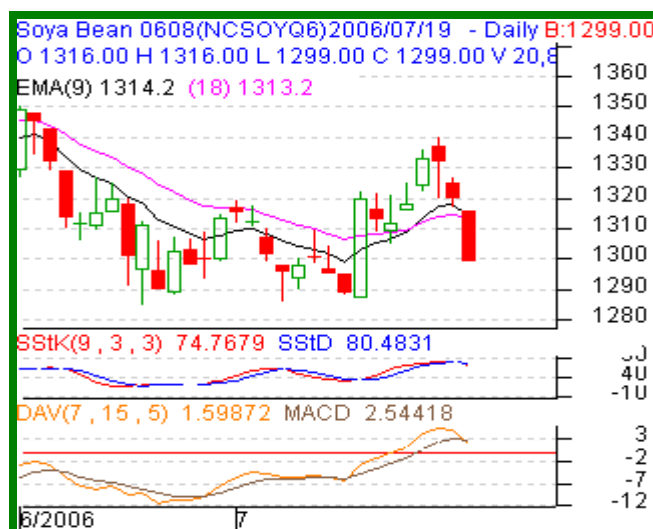
1. Weak sentiments in spot and futures market
2. Huge production of soybean expected
3. Talk about possible reduction of 4% CVD

#### Weather

Widespread rainfall is expected in many part of the country in coming days. Sowing is going on in MP and other parts of the soybean growing area. At this stage monsoon showers have a positive impact,

#### TECHNICALS

Bearish sentiments were observed at the NCDEX. The EMA has touched the price line from upper side. %K line crossed the % D line in the over bought region. DAV has also touched the MACD in positive territory indicating some positive sentiments in the medium term. Volume and open interest declined.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
August	1287.5	1276.3	1305	1312

#### TRADE RECOMMENDATION: (Intraday)

Sell NCDEX August contract near 1299, T1- 1289.50 and stop loss at 1304.

#### SPOT MARKET PRICES

Centers	Market	19.07.06	18.07.06	Change	Arrivals (Bags)
Indore	Plant	1260-1280	1260-1290	-10	450000
Indore	Mandi	1215-1230	1215-1245	-15	
Maharashtra	Plant	1315-1310	1315-1320	-10	30000
Maharashtra	Mandi	1250-1265	1250-1280	-15	
Kota	Plant	1285-1300	1285-1300	-	6000
Kota	Mandi	1230-1265	1230-1275	-10	

## MUSTARD

### SPOT MARKETS

Mustard spot market continue to trade weak due to subdued demand and more arrival at the major mandis at Jaipur, Delhi, Kota and Alwar. It was offered at lower prices in these mandis. NAFED is also selling mustard seed from July to off load its existing stock. It has also brought prices down in the spot market. The farmers of the Rajasthan has requested to the Chief Minister to purchase their stock at the support price level as 10,000 tons is lying in different markets in Rajasthan.

### FUTURES MARKETS:

NCDEX August contract also exhibited weak sentiments and traded low throughout day and hovered in a narrow range. The prices traded within the range of 350.80-355.05 finally settled at 351.30.

### PRICE DRIVERS:

#### Bullish:

1. Mandatory blending of 20% mustard oil with Vanaspati

#### Bearish:

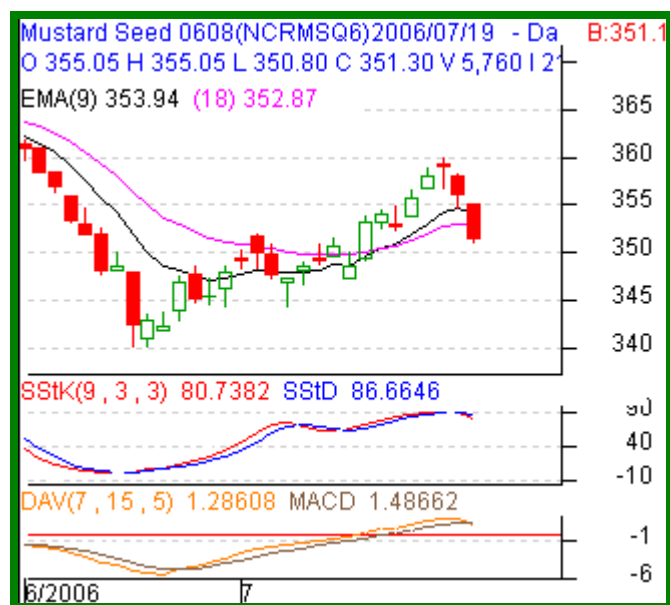
1. Hefty stock at NAFED
2. Canalization of Vanaspati import by NAFED
3. Ample supply in the spot market

### Weather

Timely monsoon will help Kharif sowing in different region, which will result into the early harvesting thereby early planting of mustard crop in Rabi season.

### TECHNICALS

The candlestick pattern showed bearish sentiments in the futures market. %K line has made a bearish cross over to %D line. DAV has also made a bearish cross over to MACD and remains in positive territory indicating some positive sentiments in long run. Volume declined while open interests slightly increased.



### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
August	346.3	344.50	353.90	356.80

### TRADE RECOMMENDATION:

**Sell** NCDEX **August** contract near 351.75, T1- 348.30, and stop loss at 353.50.

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

Markets	19.07.06	18.07.06	Change	Arrivals (Bags)
Jaipur (C)	1750-1760	1760-1770	-10	4000
Alwar(C)	1640-1650	1650-1660	-10	500-600
Delhi(C)	1740-1745	1750	-5	1500
Agra(C)/Katchi Ghani	1785/4050	1825/4050	-40	0
Sri Ganganagar (NC)	1540	1500	+40	200
Kota (NC)	1540-1550	1550-1560	-10	1500

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET

Groundnut prices witnessed range bound trade on Wednesday. The prices are expected to hover in a range bound pattern. Groundnut seed in Rajkot Mandi offered at Rs 382 per 20 kg and groundnut oil declined slightly at Rs 512 per 10 kg. The new crop arrival will decide the supply situation. 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)	
	19.07.06	18.07.06
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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