

OILSEED DAILY

JULY 14, 2006

SOYBEAN

SPOT MARKETS

The soybean prices remain range bound in most of the Mandis and traded in a narrow zone. The prices stuck to a level where no major demand of seeds could be witnessed combined with huge arrivals into the market what so ever the stock is left with stockists. Soy oil improved in the spot market, which is expected to give some support to the soybean in near term. Govt is planning to give concession on the import and custom duty on import of bio-diesel machinery into India. This will have a bullish impact on the soy oil and thus on soybean. Meeting of committee to decide ban on import of GM soy oil postponed further. Importers in a dilemma over the issue as no fresh import deals are being made till further clarification.

FUTURES MARKETS:

NCDEX August soybean futures opened weak and traded both the sides today as the market seems to be confused in the early hours. Later the prices increased on speculative buying and traded with positive tone. The prices then dwindle on the both side, as there were no major reason to support its prices in the higher levels. Most active August contract traded in between 1309.0-1321.0 and closed at 1312.0

PRICE DRIVERS:

Bullish:

1. Poor soy seed stocks
2. Decline arrival
3. Weak Import of Edible oil in this year

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 and relatively small shadow indicating indecisiveness 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 decline marginally while open interest increased slightly.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
August	1309.4	1305.2	1325.9	1331.4

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX August contract above 1313.3, T1- 1320.0 and stop loss at 1309.6.

SPOT MARKET PRICES

Centers	Market	13.07.06	12.07.06	Change	Arrivals (Bags)
Indore	Plant	1245-1260	1255-1275	-10.00	40000-45000
Indore	Mandi	1195-1220	1195-1215	0	
Maharashtra	Plant	1300	1300	0	25000
Maharashtra	Mandi	1240-1270	1240-1260	0	
Kota	Plant	1250-1260	1250-1260	0	4000-4500
Kota	Mandi	1200-1225	1190-1225	+10.0	

MUSTARD

SPOT MARKETS

The mustard seed prices in the major spot market maintained its up trend and increased in almost all the centers amid high demand by the millers. Most of the companies started procuring seeds from the mandis thereby supporting the seeds. High demand of mustard oil also helped to support the market up. Hike in the prices of soy and groundnut oil also supported the mustard oil prices.

FUTURES MARKETS:

NCDEX August contract of mustard seed witnessed weak opening and increased initially but remain indecisive for two hours with bearish note. Prices then again witnessed strong improvement on speculative buying as it got strength from the spot market. Flip flop movement could be noticed in its prices then after and finally closed with bearish note. The prices traded within the range of 352.20-354.80 and finally settled at 352.60.

PRICE DRIVERS:

Bullish:

1. Declined arrivals
2. Blending of 20% mustard oil with Vanaspati now is mandatory
3. Sowing Pressure

Bearish:

1. Selling of Non conditioned mustard by ITC and NAFED
2. Monsoon in Rajasthan
3. 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

Inverted dragonfly formation by candlesticks indicating indecisiveness into the market with bearish tone. %K line moving above its %D line and reached in over bought region indicating possible reversal of trend. 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 is loosing strength. Volume increased while open interests remain steady.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
August	349.9	348.55	354.75	356.10

TRADE RECOMMENDATION:

Buy NCDEX **August** contract near 351.80, T1- 353.90, and stop loss at 350.75.

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

Markets	13.07.06	12.07.06	Change	Arrivals (Bags)
Jaipur (C)	1735-1740	1735	0	3500
Alwar(C)	1630-1640	1625-1630	+5.0	500-600
Delhi(C)	1760	1750	+10.0	400
Agra(C)/Katchi Ghani	1800/4025-4050	1800/4000-4025	0	-
Sri Ganganagar (NC)	1480	1475	+5.0	250-300
Kota (NC)	1540-1560	1520-1550	+20.0	1500

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 378 per 20 kg and groundnut oil increased slightly at Rs 506 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 12000-13000 bags in Gujarat Mandi.

Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kg)	
	13.07.06	12.07.06
Gr Kernel	2560*	2550*
Bolds 60/70	3075*	3050*
Javas 60/70	3150*	3150*
Javas 70/80	3050*	3025*
Javas 80/90	3025*	3000*

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

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