

OILSEED DAILY

JULY 26 2006

SOYBEAN

SPOT MARKETS

The spot soybean market remained quiet as major mandis in Rajasthan and Madhya Pradesh remained closed due to 'Amavasya'. There was no arrival in these mandis, demand remained weak and prices did not witness any major change. At the international level, Brazil's soy plantation in 2006-07 is seen down 7.6% at 19-21 million hectares due to low domestic prices, a weak dollar, and high farm debt. The spot market is likely to remain in the current price range.

FUTURES MARKETS:

The NCDEX soybean remained slightly bullish as most of the contracts closed with a positive note. Most active August contract traded in between 1285-1291 and closed at 1289.40.

PRICE DRIVERS:

1. Firm sentiments on CBOT
2. Removal of restriction from imported GM soy oil
3. Good production forecast
4. Upcoming festival demand

Weather

Southwest Monsoon has further advanced into remaining parts of Arabian Sea and West Rajasthan. Thus Southwest monsoon has covered the entire country.

TECHNICALS

For the August contract the candlestick pattern exhibited profit-booking activities. Price closed below the 9-days and 18-days EMA. %K line remained below the %D line and both entered in the oversold region. Gap between DAV and MACD also widened in the negative region. RSI is below the smooth average in the neutral region. Volume declined significantly while open interest slightly increased on Tuesday.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
August	1283	1281	1295	1298

TRADE RECOMMENDATION: (Intraday)

Buy NCDEX August contract near 1288.50, T1-1292.0 and stop loss below 1286.75.

SPOT MARKET PRICES

Centers	Market	25.07.06	24.07.06	Change	Arrivals (Bags)
Indore	Plant	1260-1275	1250-1270	+5	-
Indore	Mandi	1195-1220	1200-1225	-5	
Maharashtra	Plant	1300	1300	-	-
Maharashtra	Mandi	-	1240-1260	-	
Kota	Plant	1250-1260	1250-1260	-	5000
Kota	Mandi	1220-1225	1205-1225	-	

MUSTARD

SPOT MARKETS

The mustard spot market exhibited mixed sentiments as it was offered at slightly higher prices at Jaipur and Sri Ganganagar while at Alwar and Kota it was offered at lower prices. The arrival remained almost same at these mandis as was yesterday. The market is likely to remain hover in the current price range.

FUTURES MARKETS:

Most of the active contacts at the NCDEX exhibited slightly bullish sentiments and prices closed slightly above their opening level. The market may remain volatile in the coming days. The most active August Contract hovered between 349-350.40 and closed at 350.0

PRICE DRIVERS:

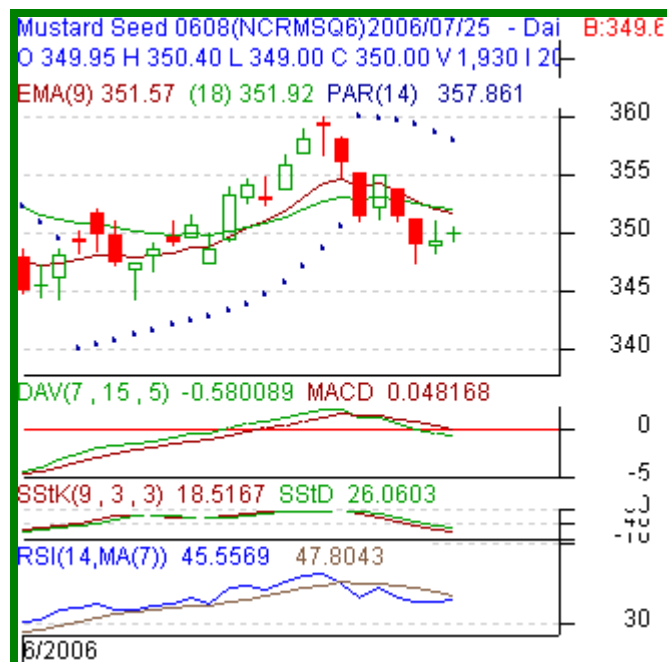
1. Steady spot market
2. Mandatory blending of 20% mustard oil with Vanaspati
3. Expected increase in the mustard oil demand in the rainy season.
4. Firm global market
5. Indecisive futures market

Weather

Southwest Monsoon has further advanced into remaining parts of Arabian Sea and West Rajasthan. Thus Southwest monsoon has covered the entire country.

TECHNICALS

Candlestick pattern formed Doji, which indicates indecisive market conditions. %K line moved away from % D line and both are just about to enter the oversold region. Gap between DAV and MACD has also widened, and the DAV has entered the negative region. RSI is ruling below the smooth average line in neutral region. Volume declined significantly while open interest slightly declined. Price is ruling far below the 9-days and 18-days EMA. The indicators hint towards weak market sentiments.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
August	347.95	346.90	352.10	353.50

TRADE RECOMMENDATION:

Sell NCDEX August contract near 350.0, T1-348.20 and stop loss at 350.90

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

Markets	25.07.06	24.07.06	Change	Arrivals (Bags)
Jaipur (C)	1730-1735	1730	+5	4000
Alwar(C)	1630-1635	1640-1645	-10	500-700
Delhi(C)	1740-1745	1740-1745	-	700
Agra(C)/Katchi Ghani	1800/4025	1800/4050	-	0
Sri Ganganagar (NC)	1500	1485	+15	300
Kota (NC)	1510-1530	1510-1535	-5	1000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Groundnut market remained firm amidst good demand. The prices will remain firm in the coming days. Groundnut seed in Rajkot Mandi offered at Rs 379 per 20 kg and groundnut oil declined slightly at Rs 510 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)	
	25.07.06	24.07.06
Gr Kernel	2610*	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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