

OILSEED DAILY

JULY 24 2006

SOYBEAN

SPOT MARKETS

Widespread rainfall have affected the soybean trade in the major mandis of the Madhya Pradesh, Rajasthan and Maharashtra where arrival and demand remained low due to rain. The soybean was offered slightly low at these places. Soybean sowing is towards end in the major growing area in MP and Maharashtra. The prices are expected to hover in the current range due to weak demand.

FUTURES MARKETS:

Bearish trend continues to exist in the futures market where all the active soybean contracts exhibited weak sentiments. The free import of GM soy oil up to March 2007 by the Indian Government has affected the market sentiments. Prices are expected to ease further. Most active August contract traded in between 1287-1277.10 and closed at 1284.

PRICE DRIVERS:

Bearish:

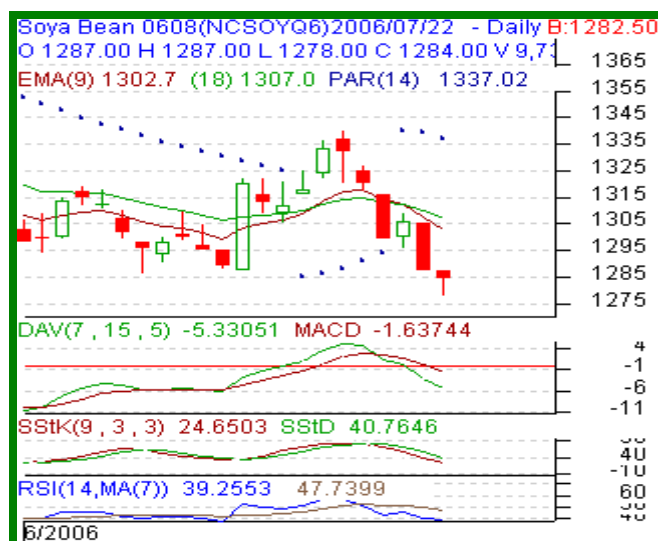
1. Rains affecting trade in the spot market
2. Lower demand
3. Removal of restriction from imported GM soy oil
4. Global weakness due to favourable weather.

Weather

Heavy to very heavy falls likely at a few places over Konkan & Goa (including Mumbai), Madhya Maharashtra, Marathawada, West Madhya Pradesh, Gujarat, and East Rajasthan. Soybean sowing is towards completion in most of the growing areas.

TECHNICALS

Candlestick formation showed strong 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. The technical indicators suggest bearish undertone in the futures market.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
August	1274	1270	1289	1293

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX August contract near 1284, T1-1278 and stop loss at 1287.

SPOT MARKET PRICES

Centers	Market	22.07.06	21.07.06	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

The mustard spot market remained weak amid lackluster trade as demand remained low. Spot market also remained affected by the futures market sentiments. The market is likely to witness slack demand in coming days. NAFED is offloading its stock, which is also giving the bearish sentiments to the mustard market.

FUTURES MARKETS:

All the active contracts exhibited strong bearish sentiments and traded far below from their opening levels. The traders expect further weakness in the futures market as the news about removal of restriction from imported GM soy oil has badly affected the market sentiments. Further rains have also imparted to the bearish sentiments to the market. The sentiments in CBOT also remained weak due to bearish weather forecast. All the active contracts traded with bearish undertone. The futures market is expected to exhibit further bearish sentiments in coming days.

PRICE DRIVERS:

Bullish:

1. Mandatory blending of 20% mustard oil with Vanaspati

Bearish:

1. Rainfall in the mustard growing areas.
2. Lower demand
3. Removal of restriction from imported GM soy oil
4. Global weakness due to favourable weather.

Weather

Heavy to very heavy falls likely at a few places over Konkan & Goa (including Mumbai), Madhya Maharashtra, Marathwada, West Madhya Pradesh, Gujarat, and East Rajasthan.

TECHNICALS

Candlestick pattern exhibited strong bearishness in the futures 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 positive 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	345.80	344.00	350.10	351.60

TRADE RECOMMENDATION:

Sell NCDEX August contract near 348.50, T1-346.50 and stop loss at 349.50.

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

Markets	22.07.06	107.06	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

Steady sentiments were observed in the groundnut spot market. Prices are likely to see some upward movement in near future. 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)	
	22.07.06	21.07.06
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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