

OILSEED DAILY

JULY 5, 2006

SOYBEAN

SPOT MARKETS

Soybean prices at the physical market decline in Indore on the back of huge arrivals. The stockists are releasing stocks as sowing is started in MP in few regions. They expect new crops September onwards, fearing pilling of stocks. Heavy rains lash Maharashtra that results into negligible arrivals. Most of the Mandi remain closed on account of heavy rains. The prices at Rajasthan remain steady on weak demand. The prices are expected to remain range bound on no fresh demand as per dealers.

FUTURES MARKETS:

NCDEX July soybean futures opened weak and decline with a phased manner but lack lustre for initial three hours. Steep decline was noticed during 1.0 pm. Slight improvement could then be viewed on profit booking. But the prices closed with bearish note and the contract is traded between 1269.10-1280.00 and finally closed at 1271.5.

PRICE DRIVERS:

Bullish:

1. Restricted soy seed stocks

Bearish:

1. Monsoon progress
2. Sowing started in MP and other region
3. Recent forecast of rains in couple of days

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

Dark candlestick with upper and lower shadow indicates bearish sentiments into the market. The %K line is ruling over %D line bending towards its %D line indicating weakness into the market. DAV remains above MACD and curving downward for any possible bearish cross over. Parabolic SAR continue to generate sell signal and further supported by DMI but needs further confirmation. Price line remains below the 9 and 18 days EMA indicating bearish market sentiments. RSI made bearish cross over. Volume increased while open interest almost remain steady.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	1260.2	1256.0	1281.8	1290.6

TRADE RECOMMENDATION:

Sell NCDEX July contract below 1274.0, T1- 1266.0; and stop loss at 1280.0.

SPOT MARKET PRICES

Centers	Market	4.07.06	3.07.06	Change	Arrivals (Bags)
Indore	Plant	1250-1270	1260-1280	-10.0	50000-60000
Indore	Mandi	1180-1200	1190-1220	-10.0	
Maharashtra	Plant	1300	1290-1320	-10.0	
Maharashtra	Mandi	-	1230-1260	-	3500
Kota	Plant	1250-1260	1250-1260	0	
Kota	Mandi	1205-1230	1205-1230	0	

MUSTARD

SPOT MARKETS

The spot market prices remain stagnant almost this stage as not much deviation is observed in the market. The prices are expected to hover around on the same level as the prices are already at its lowest levels and much lowered compared to the previous year of the same period. Traders are keeping bird eye view on the concern about Sri Lankan objection regarding canalisation of Vanaspati import through NAFED, which will have a deep impact over the market. The demand of mustard seeds remains stale in the physical market, as there is no major demand of its oil.

FUTURES MARKETS:

NCDEX August contract of mustard opened weak and trade on the lower side initially. Some gain was then seen on the back of short covering. The prices then decline for most of the time and traded in the range between 347.05- 350.95 and finally settled at 347.40.

PRICE DRIVERS:

Bullish:

1. Restricted arrivals

Bearish:

1. Selling of Non conditioned mustard by ITC and NAFED
2. Low demand of mustard seed and oil.
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

Filled dark candlesticks indicate bearish sentiments into the market and upper shadow indicates that the prices could not be able to sustain the higher levels. %K line continues to move upward with %D line indicating bullish sentiments. DAV remains above MACD and moving upward indicating bullish sentiments likely to continue for medium to long term. RSI approaching towards its average indicating possible bearish cross over. Volume decreased while open interests remain range bound.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
August	344.3	342.6	349.9	351.6

TRADE RECOMMENDATION:

Sell NCDEX August contract below 347.8, T1- 345.6; and stop loss at 349.0.

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

Markets	4.07.06	3.07.06	Change	Arrivals (Bags)
Jaipur (C)	1710-1715	1710-1715	0	3500-4000
Alwar(C)	1625-1630	1625-1630	0	500-600
Delhi(C)	1730	1720	+10.0	400-500
Agra(C)/Katchi Ghani	1780/4050	1800/4000-4025	-20.0	-
Sri Ganganagar (NC)	1465	1465	0	300
Kota (NC)	1520-1550	1550-1580	-30.0	1000-1200

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Groundnut prices at the physical market decline on weak demand and the dwindling prices of soy oil and others. The prices are expected to move in the narrow range. Groundnut seed in Rajkot Mandi offered at Rs 367 per 20 kg and groundnut oil decline slightly at Rs 488 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 18000-20000 bags in Gujarat Mandi.

Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kg)	
	4.07.06	3.07.06
Gr Kernel	2500*	2500*
Bolds 60/70	2875*	2875*
Javas 60/70	3050*	3050*
Javas 70/80	2990*	2990*
Javas 80/90	2890*	2890*

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

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.