

OILSEED DAILY

JULY 19, 2006

SOYBEAN

SPOT MARKETS

Soybean prices remained largely steady although in Maharashtra it was offered on lower prices as against Tuesday. Around 3.7 million tonnes of soybean arrived in the main wholesale markets of Madhya Pradesh between September and May, up 1.2 million tonnes from last year, data compiled by Soybean Processors Association showed Monday. The arrivals were higher than last year because of increase in crop output.

FUTURES MARKETS:

NCDEX August soybean futures opened very weak and speculative selling pressurised the prices to move downward. Most active August contract traded in between 1317-1327 and closed at 1320.10. Futures are likely to witness similar sentiments in the coming days.

PRICE DRIVERS:

Bullish:

1. Weak stock position of soy seed
2. Increased tariff on soy and palm oil

Bearish:

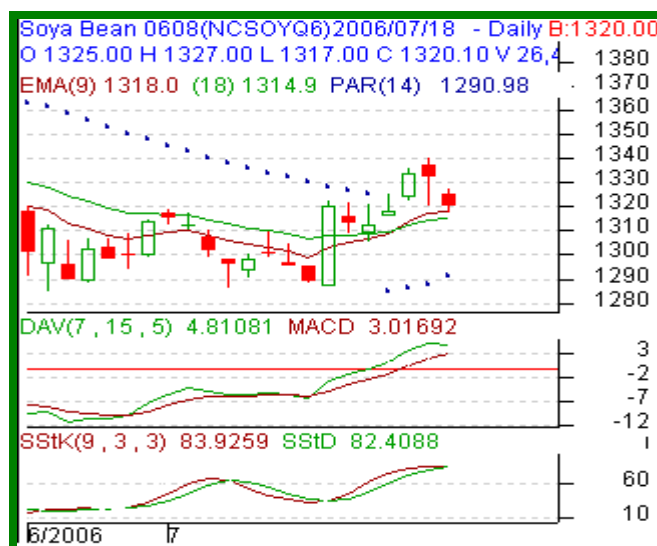
1. Huge production of soybean expected
2. Talk about possible reduction of 4% CVD

Weather

The planting of soybean is going on in MP. Weather seems to be 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

The candlestick formation exhibited bearish sentiments in the market. The EMA is touching the price line from below. %K line has touched the % D line in the over bought region. DAV is moving above its MACD and entered into positive territory indicating slight bullish sentiments in the medium term. Volume and open interest declined on Tuesday.



SUPPORT / RESISTANCES:

| Contract | S1 | S2 | R1 | R2 |
|----------|------|------|------|------|
| August | 1316 | 1315 | 1326 | 1328 |

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX August contract near 1322, T1- 1317 and stop loss at 1325.

SPOT MARKET PRICES

| Centers | Market | 18.07.06 | 17.07.06 | Change | Arrivals (Bags) |
|-------------|--------|-----------|-----------|--------|-----------------|
| Indore | Plant | 1260-1290 | 1275-1300 | -10.00 | 430000 |
| Indore | Mandi | 1215-1245 | 1225-1240 | +5.00 | |
| Maharashtra | Plant | 1315-1320 | 1315-1320 | 0 | 30000 |
| Maharashtra | Mandi | 1250-1280 | 1260-1290 | -10.00 | |
| Kota | Plant | 1285-1300 | 1290-1300 | 0 | 6000 |
| Kota | Mandi | 1230-1275 | 1240-1275 | 0 | |

MUSTARD

SPOT MARKETS

Weak sentiments were observed in the mustard seed market as it was offered at low prices in almost all the major mandis. National Agricultural Cooperative Marketing Federation has sold around 127,000 tonnes of mustard seed through its daily quotation process since Jul. 1. The mustard seeds have been sold at prices ranging between 1,500-1,665 rupees per 100 kilogram.

FUTURES MARKETS:

NCDEX August contract also exhibited the spot market sentiments and traded low throughout day and hovered in a narrow range. The prices traded within the range of 358.25-354.50 and finally settled at 356.00.

PRICE DRIVERS:

Bullish:

1. Decreased arrival
2. Blending of 20% mustard oil with Vanaspati now is mandatory

Bearish:

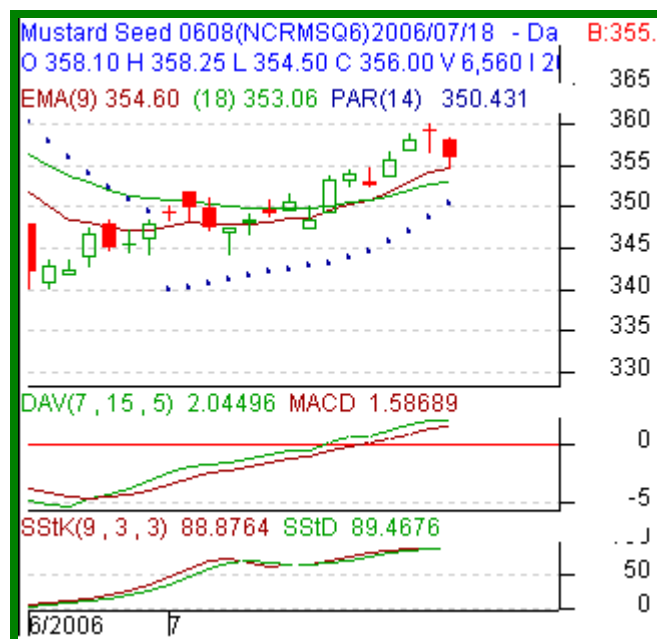
1. Hefty stock at NAFED
2. Canalization of Vanaspati import by NAFED

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 highly bearish sentiments in the futures market. %K line has touched the %D line in over bought region indicating further downward movement. DAV is moving towards MACD and remains in positive territory indicating the bullish sentiments likely to continue for medium and long term. RSI indicating firmness in the market. Volume and open interests slightly increased.



SUPPORT / RESISTANCES:

| Contract | S1 | S2 | R1 | R2 |
|----------|-------|-------|-------|-------|
| August | 353.5 | 353.1 | 357.6 | 358.0 |

TRADE RECOMMENDATION:

Sell NCDEX **August** contract above 356.5, T1- 354.5, and stop loss at 357.5.

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

| Markets | 18.07.06 | 17.07.06 | Change | Arrivals (Bags) |
|----------------------|-----------|-----------|--------|-----------------|
| Jaipur (C) | 1760-1770 | 1770-1780 | 0 | 4000 |
| Alwar(C) | 1650-1660 | 1670-1680 | 0 | nil |
| Delhi(C) | 1750 | 1760 | 0 | 300-400 |
| Agra(C)/Katchi Ghani | 1825/4050 | 1825/4100 | +50.00 | 0 |
| Sri Ganganagar (NC) | 1500 | 1500-1510 | 0 | 200 |
| Kota (NC) | 1550-1570 | 1550-1575 | -25.00 | 1000 |

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Groundnut prices witnessed gradual improvement in prices. The prices are supposed to further strengthen. Groundnut seed in Rajkot Mandi offered at Rs 283 per 20 kg and groundnut oil increased slightly at Rs 515 per 10 kg. The new crop arrival will decide the supply situation. Arrivals of seed were recorded nearly at 10000-15000 bags in Gujarat Mandi.

Spot Rates of Groundnuts in Mumbai

| Groundnut | (Rates in Rs. Per 100 Kg) | |
|-------------|---------------------------|----------|
| | 18.07.06 | 17.07.06 |
| Gr Kernel | 2625* | 2625* |
| Bolds 60/70 | 3200* | 3125* |
| Javas 60/70 | 3300* | 3250* |
| Javas 70/80 | 3225* | 3175* |
| Javas 80/90 | 3150* | 3100* |

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

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