

OILSEED DAILY

JULY 22 2006

SOYBEAN

SPOT MARKETS

Rain has affected the spot market trade in the major trading areas like Indore, Maharashtra and Rajasthan where soybean was offered at lower prices due to slackness in demand. Arrivals also declined. The spot market is likely to witness steady demand.

FUTURES MARKETS:

NCDEX soybean futures traded with bearish sentiments as the Government has allowed free import of GM soy oil up to 31 March 2007. Market prices crashed due to this news. Most active August contract traded in between 1287-1305 and closed at 1287. Soybean futures is likely to trade with a bearish undertone in coming days.

PRICE DRIVERS:

Bearish:

1. Rains affecting trade in the spot market
2. Good monsoon rainfall in the at the sowing time
3. Removal of restriction from imported GM soy oil
4. Bearish sentiment in CBOT

Weather

Sowing operation is almost completed in Maharashtra and sowing is in full swing in MP but with bit slow pace in Rajasthan. The recent rains in most of the growing region are good for crop growth.

TECHNICALS

Soybean futures at NCDEX witnessed strong bearish sentiments. Candlestick formed the red Marubozu. 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 increased while open interest remained almost same as was yesterday. The technical indicators suggest bearish sentiments in the futures market.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
August	1281	1276	1292	1300

TRADE RECOMMENDATION: (Intraday)

Sell NCDEX August contract near 1287, T1-1282 and stop loss at 1289.50.

SPOT MARKET PRICES

Centers	Market	21.07.06	20.07.06	Change	Arrivals (Bags)
Indore	Plant	1260-1280	1260-1280	-	15000
Indore	Mandi	1210-1230	1200-1230	-	
Maharashtra	Plant	1305-1310	1320-1340	-30	20000
Maharashtra	Mandi	1240-1260	1290-1310	-50	
Kota	Plant	1265-1270	1270-1285	-15	2500
Kota	Mandi	1220-1270	1225-1250	-25	

MUSTARD

SPOT MARKETS

Slightly bearish sentiments were observed in the Rajasthan and Delhi market where it was offered on lower prices as against yesterday. Arrivals increased in most of the mandis and demand remained subdued. The market is likely to witness slack demand in coming days.

FUTURES MARKETS:

The futures market decline significantly from noon onwards as the news about removal of restriction from imported GM soy oil flushed into 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. Good monsoon rainfall
2. Removal of restriction from imported GM soy oil
3. Bearish sentiment in CBOT

Weather

Heavy to very heavy falls likely at a few places over Jharkhand, Orissa, Chhattisgarh and Vidarbha. Isolated heavy to very heavy falls also likely over Madhya Pradesh, Konkan & Goa, Madhya Maharashtra, 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. Volume declined while open interest remained almost same on Friday. EMA has cut the price line from above. The technical indicators suggest bearish sentiments in the futures.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
August	349.40	348.10	352.60	353.30

TRADE RECOMMENDATION:

Sell NCDEX August contract near 351.50, T1-350.10, and stop loss at 352.20.

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

Markets	21.07.06	20.07.06	Change	Arrivals (Bags)
Jaipur (C)	1735-1740	1740-1760	-20	4500
Alwar(C)	1640-1650	1640-1650	-	1000
Delhi(C)	1735	1740	-5	1000-1200
Agra(C)/Katchi Ghani	1800/4050	1785/4050	+15	0
Sri Ganganagar (NC)	1500	1495	+5	100-150
Kota (NC)	1500-1535	1540-1560	-25	1000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

The spot groundnut prices remained steady in the 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)	
	21.07.06	20.07.06
Gr Kernel	2625*	2600*
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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