

OILSEED DAILY

JULY 7, 2006

SOYBEAN

SPOT MARKETS

The market prices at different centers mixed with range bound movements. The prices at Mandi at Indore increased slightly while it decline marginally in Kota. Some gain in the prices of the plants can be witnessed from Maharashtra. The arrivals in major Mandis are getting down as most of the stocks already sold. The sowing is in progress in major belt of the growing region. Sixty per cent soybean sowing has been completed in Maharashtra till now and the remaining part is expected to be completed within 8-10 days as per Commissioner of Agriculture, Maharashtra.

FUTURES MARKETS:

NCDEX July soybean futures opened steady and decline after its opening and touched its lowest levels. The prices then retraced back near its opening as got strength from rapeseed. It saw some upward movement during the trading session but traded in a narrow range. The prices is traded between 1256.0-1268.00 and finally closed at 1264.0.

PRICE DRIVERS:

Bullish:

1. Restricted soy seed stocks
2. Expected increase in soy oil demand

Bearish:

1. Monsoon progress
2. Sowing started in MP and other region

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

Small-bodied unfilled candlesticks with closing bozu formation with long lower shadow indicating certain level retracement indicating bullish sentiments. %K line made bearish cross over with %D line indicating bearish sentiments. DAV aligns with MACD indicating bearish sentiments having chances of its improvement. RSI is heading towards its moving average indicating possible bullish cross over. %R is improving but could not be able to justify the possible trend. Volume decline and open interest remain steady.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	1267.7	1264.6	1290.7	1295.0

TRADE RECOMMENDATION:

Buy NCDEX July contract below 1272.0, T1- 1279.0; T2-1285.0 and stop loss at 1268.0.

SPOT MARKET PRICES

Centers	Market	6.07.06	5.07.06	Change	Arrivals (Bags)
Indore	Plant	1240-1260	1250-1260	-10.0	25000-30000
Indore	Mandi	1190-1200	1185-1205	+5.0	
Maharashtra	Plant	1310	1300	+10.0	15000-20000
Maharashtra	Mandi	1230-1250	-	-	
Kota	Plant	1250-1260	1250-1260	0	3000
Kota	Mandi	1190-1200	1200-1230	-10.0	

MUSTARD

SPOT MARKETS

The spot market prices at different centers improved on the talk that it is mandatory to blend 20% mustard oil with Vanaspati. If this will become the reality then the prices of mustard seeds should sky rocketed in near term. Multinational companies and local stockists are aggressively purchasing the seeds from mandis and NAFED. If so happen then it would be great opportunity for NAFED to minimises its losses. The prices for mustard seed expected to remain on the higher levels on high demand in near term.

FUTURES MARKETS:

NCDEX August contract of mustard opened firm and then sore high on the talk of blending mustard oil with vanaspati. Prices decline for two hours as the market remain confused about the authenticity of the news. Later the market pick up the momentum as the news seems to be reliable. The prices traded in the range between 346.50-349.00 and finally settled at 348.50.

PRICE DRIVERS:

Bullish:

1. Restricted arrivals
2. Blending of 20% mustard oil with Vanaspati now is mandatory

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

Small body candlesticks with upper shadow and comparatively long lower shadow indicate improved sentiments into the market. %K line made bearish cross over with %D line indicating bearish sentiments into the market. DAV is moving upward along with MACD indicating the bullish sentiments. RSI is moving upward with its average with divergence indicating bullish sentiments likely to continue. Volume decreased while open interest improved marginally.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
August	347.4	345.8	351.8	353.1

TRADE RECOMMENDATION:

Buy NCDEX **August** contract above 348.55, T1- 350.6, and stop loss at 347.0.

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

Markets	6.07.06	5.07.06	Change	Arrivals (Bags)
Jaipur (C)	1700	1685-1695	+15.50	2000
Alwar(C)	1625-1630	1615.1620	+10.00	700
Delhi(C)	1730	1725-1730	+5.0	300
Agra(C)/Katchi Ghani	1780-1790/4025	1780-1790	0	-
Sri Ganganagar (NC)	1475-1480	1475	0	200
Kota (NC)	1520-1550	1520-1540	0	800-1000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Groundnut prices at the physical market remain range bound with slight improvement. The prices are expected to move in the narrow range. Groundnut seed in Rajkot Mandi offered at Rs 368 per 20 kg and groundnut oil decline slightly at Rs 487 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 12000-15000 bags in Gujarat Mandi.

Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kg)	
	6.07.06	5.07.06
Gr Kernel	2500*	2500*
Bolds 60/70	2975*	2875*
Javas 60/70	3100*	3050*
Javas 70/80	2975*	2990*
Javas 80/90	2950*	2890*

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

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