

OILSEED DAILY

JULY 3, 2006

SOYBEAN

SPOT MARKETS

Soybean prices at the physical market remain rang bound with slight improvement as it got strength from the futures market. Improvement in soy oil and other oils had a bullish impact over the prices of soybean. Spot market prices are expected to remain range bound in near terms. Though there are rains in few region of MP the western portion still remains rain deficit. The growers are waiting for the rain for sowing. If there would be no rain up to 2nd week of July then crop is likely to suffer yield losses. There are chances that farmers could shift from soybean to short duration pulses like Moong and Urd.

FUTURES MARKETS:

NCDEX July soybean futures opened strong and decline then after on short covering and profit booking. The contract is traded between 1283.0-1290.00 and finally closed at 1286.5.

PRICE DRIVERS:

Bullish:

1. Restricted soy seed s stocks
2. Talk about increase in tariff value on soy oil

Bearish:

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

Weather

Soybean should be planted from last week of June to 2nd week of July. If there would be no rain during the period then there could be considerable yield reduction. Recent weather forecast indicating the sowing at proper time.

TECHNICALS

Short filled candlestick with long lower shadow indicates bearish sentiments. The %K line is ruling over %D line indicating positive sentiments likely to continue in the market. DAV remains above MACD but still remain in the negative region indicating slight bullishness. Parabolic SAR generating sell signal but needs further confirmation. Price line remains in between the 9 and 18 days EMA indicating indecisiveness. Volume and open interest decline.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	1275.9	1270.0	1291.0	1295.6

TRADE RECOMMENDATION:

Sell NCDEX July contract below 1286.0, T1- 1278.7; and stop loss at 1289.65.

SPOT MARKET PRICES

Centers	Market	1.07.06	30.06.06	Change	Arrivals (Bags)
Indore	Plant	1260-1280	1255-1275	+5.0	40000-45000
Indore	Mandi	1190-1220	1190-1215	0	
Maharashtra	Plant	1300-1320	1280-1300	+20.0	10000
Maharashtra	Mandi	1220-1250	1210-1240	+10.0	
Kota	Plant	1250-1260	1245-1260	+5.0	3000
Kota	Mandi	1205-1230	1205-1225	0	

MUSTARD

SPOT MARKETS

The mustard prices at spot market remain range bound and traded on higher side as it got buying support and the current hike in prices by the NAFED. The traders indicates that the prices are expected to trade in tight range and they do not see sharp decline as the prices are already low compared to last year. Onset of rains in the North West region is expected to increase the mustard oil thereby likely to increase the seeds demand. Kota Mandi remains closed on local festival.

FUTURES MARKETS:

NCDEX August contract of mustard opened firm and decline then after for consecutive two session. The prices then again increased on the back of speculative buying and increased in the soy futures on recent hike of tariff on palm oil. The prices traded in the range between 348.05-348.50 and finally settled at 350.15.

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. Upcoming sesamum crop

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

Spinning top formation by the candlestick along with its EMA indicates perfect indecisiveness into the market. %K line continues to move upward with %D line indicating bullish sentiments. DAV remains above MACD and moving upward with divergence indicating possible trend reversal but still needs to be confirmed. RSI moving upward from its average indicating bullish sentiments into the market. Volume increased while open interests remain steady.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
August	346.7	345.3	351.6	353.0

TRADE RECOMMENDATION:

Sell NCDEX August contract below 350.25, T1- 347.9; and stop loss at 351.4.

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

Markets	1.006	30.06.06	Change	Arrivals (Bags)
Jaipur (C)	1710	1690-1700	+10.0	3000
Alwar(C)	1615-1620	1610-1615	+5.0	500-700
Delhi(C)	1715-1720	1710	+5.0	600
Agra(C)/Katchi Ghani	1800/3950	1800/3950	0	-
Sri Ganganagar (NC)	1470	1470	0	200
Kota (NC)	-	-	-	-

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

The spot prices of groundnut oil remain improved on good demand and improved futures of soy oil. Monsoon is active over Gujarat thereby facilitating the sowing of Kharif groundnut in the region. Groundnut seed in Rajkot Mandi offered at Rs 368 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)	
	1.07.06	30.06.06
Gr Kernel	2475*	2475*
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**

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