

OILSEED DAILY

JULY 6, 2006

SOYBEAN

SPOT MARKETS

Soybean prices at the physical market remain range bound on huge arrivals. The arrivals continue to flock into the market as stockists are releasing stocks with a constant pace. Country's major soy producing areas such as Maharashtra and Madhya Pradesh have received good rains during last 5 days. The oilseed sowing gaining momentum and the crop outlook seems to be a good one. Traders expect new crops September onwards, fearing pilling of stocks. No trade could be seen from different region of Maharashtra due to heavy rains. The prices at Rajasthan remain stale 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 sharply on the news of CWC meeting for curbing inflation in the agri-commodities. Most of the trading session the prices remain subdued on lower demand and psychological pressure on possible implementation of some stringent law. Slight improvement could be viewed on profit booking. But the prices closed with bearish note and the contract is traded between 1256.0-1268.00 and finally closed at 1264.0.

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

Small-bodied dark candlesticks indicate bearish sentiments into the market and lower shadow indicates retracement in its prices. %K line bearish sentiments with %D line indicating bearish sentiments. DAV about to make bearish cross over with MACD indicating bearish sentiments likely to continue for medium to long term. RSI made bearish cross over in the neutral zone indicating bearish sentiments likely to continue. Volume and open interest remain steady.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
July	1251.8	1247.0	1271.8	1277.4

TRADE RECOMMENDATION:

Sell NCDEX July contract below 1265.0, T1- 1257.0; and stop loss at 1270.0.

SPOT MARKET PRICES

Centers	Market	5.07.06	4.07.06	Change	Arrivals (Bags)
Indore	Plant	1250-1260	1250-1270	0	50000
Indore	Mandi	1185-1205	1180-1200	+5.0	
Maharashtra	Plant	1300	1300	0	-
Maharashtra	Mandi	-	-	-	
Kota	Plant	1250-1260	1250-1260	0	3000
Kota	Mandi	1200-1230	1205-1230	-5.0	

MUSTARD

SPOT MARKETS

The spot market prices remain mixed on different centers but remain on the lower end. Hefty stock of seeds with NAFED and weakness in other major oil results into the downward movement of prices in major centers. Low demand from the millers combined with the fact of selling mustard seeds at comparatively cheaper rate by the NAFED are the other reason for its decline. The prices for mustard seed expected to remain range bound for near term.

FUTURES MARKETS:

NCDEX August contract of mustard opened weak and decline sharply on bearish fundamentals. Lower demand with hefty stock of seeds with NAFED results into speculative selling there by lowering the futures. The prices later on retraced back on short covering and profit booking. The prices traded in the range between 344.10-347.35 and finally settled at 347.35.

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

Hammer formation by the candlesticks indicates improved sentiments into the market. %K line remains above %D line indicating bullish sentiments likely to continue but strength decline. DAV is moving towards MACD with convergence indicating decline in the bullish strength. RSI remain flat and parallel with its MA indicating indecisiveness. Volume increased while open interest remains steady.



SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
August	346.0	344.3	350.85	352.0

TRADE RECOMMENDATION:

Buy NCDEX August contract above 347.5, T1- 349.6; and stop loss at 346.2.

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

Markets	5.07.06	4.07.06	Change	Arrivals (Bags)
Jaipur (C)	1685-1695	1710-1715	-25.0	2500
Alwar(C)	1615.1620	1625-1630	-10.0	200-300
Delhi(C)	1725-1730	1730	-5.0	300-400
Agra(C)/Katchi Ghani	1780-1790	1780/4050	0	-
Sri Ganganagar (NC)	1475	1465	+10.0	200-250
Kota (NC)	1520-1540	1520-1550	0	1000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET

Groundnut prices at the physical market decline on weak demand and low volume of business due to heavy downpour. 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 485 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)	
	5.07.06	4.07.06
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**

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