

## OILSEED DAILY

JULY 18, 2006

### SOYBEAN

#### SPOT MARKETS

Soybean prices witnessed firm sentiments on good demand and less arrival in the market. Soy meal and soy oil prices have also helped improve soybean prices. Rainfall is not up to expectation and the target area, which is to be sown under soybean, seems difficult to achieve.

#### FUTURES MARKETS:

NCDEX August soybean futures opened firm but speculative selling kept the prices down. NOPA crush report also had bullish impact on NCDEX. Slight decline was noticed on later part of the trading session indicating short covering and profit booking. Most active August contract traded in between 1320.0-1340.0 and closed at 1332.00.

#### PRICE DRIVERS:

##### Bullish:

1. Less soy seed stock
2. Short arrival
3. Increased tariff on soy and palm oil

##### Bearish:

1. Delayed Monsoon
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

The candlestick formation indicates bearish sentiments in the market. %K line ruling over its %D line and just touched the over bought region. DAV is moving above its MACD and entered into positive territory indicating slight bullish sentiments in the medium term. RSI is also indicating to firmness of soybean prices. Volume increased significantly while open interest declined marginally.



#### SUPPORT / RESISTANCES:

Contract	S1	S2	R1	R2
August	1328.0	1322.0	1352.5	1357.0

#### TRADE RECOMMENDATION: (Intraday)

Sell NCDEX August contract near 1333.50, T1- 1328.00 and stop loss at 1337.00.

#### SPOT MARKET PRICES

Centers	Market	17.07.06	15.07.06	Change	Arrivals (Bags)
Indore	Plant	1275-1300	1285-1290	+10.00	40000
Indore	Mandi	1225-1240	1200-1240	0	
Maharashtra	Plant	1315-1320	1315-1320	0	20000
Maharashtra	Mandi	1260-1290	1240-1260	0	
Kota	Plant	1290-1300	1285-1290	+10.00	6000
Kota	Mandi	1240-1275	1220-1240	+35.00	

## MUSTARD

### SPOT MARKETS

Steady sentiments were observed in the mustard seed market, however, at few places it was offered at high prices. The oil prices will be remain supported by the fact that mustard oil will be blended with Vanaspati. High demand of mustard oil and palm oil results into high crushing demand of mustard seeds.

### FUTURES MARKETS:

NCDEX August contract open firm on speculative buying but late on could not sustain and closed a little bit lower level. Whole day prices hovered in a narrow range. The prices traded within the range of 356.50-360.00 and finally settled at 359.00.

### PRICE DRIVERS:

#### Bullish:

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

#### Bearish:

1. Selling of Non conditioned mustard by ITC and NAFED
2. 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

The candlestick pattern showed slightly bearish sentiments in the futures market. %K line moving above its %D line in over bought region indicating possible consolidation. DAV is moving upward along with MACD and reached 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	358.00	355.00	364.00	365.50

### TRADE RECOMMENDATION:

Buy NCDEX August contract above 360.10, T1- 362.50, and stop loss at 359.00.

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

Markets	17.07.06	15.07.06	Change	Arrivals (Bags)
Jaipur (C)	1770-1780	1770-1780	0	4000
Alwar(C)	1670-1680	1670-1680	0	1000
Delhi(C)	1760	1760	0	300-400
Agra(C)/Katchi Ghani	1825/4100	1810/4050	+50.00	0
Sri Ganganagar (NC)	1500-1510	1500-1510	0	200
Kota (NC)	1550-1575	1560-1600	-25.00	1000

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET

Continued improvement was witnessed in groundnut prices. The prices may witness slight improvement in prices. Groundnut seed in Rajkot Mandi offered at Rs 383 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 12000-15000 bags in Gujarat Mandi.

### Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kg)	
	17.07.06	15.07.06
Gr Kernel	2625*	2590*
Bolds 60/70	3125*	3100*
Javas 60/70	3250*	3175*
Javas 70/80	3175*	3125*
Javas 80/90	3100*	3050*

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

### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.