

OILSEED DAILY

SOYBEAN

28th May 2007

SPOT MARKETS:

On account of weekend trading arrivals declined on Saturday to 26,000 bags from previous day arrivals of 30,000 to 35,000 bags across major spot markets. Firm cues from CBOT continued to support soy oil prices domestically despite pressure of imported oils. More vessels carrying imported oils are expected to arrive during June. Prices of soybeans stood mixed on Saturday except for slight firmness noticed in Maharashtra. Soy oil prices in Mumbai and Indore spot markets firmed up marginally. Soymeal traded steady across domestic markets and at ports. At CBOT, soy complex traded firm on underlying support from overnight firmness in palm oils at BMD and strength in grains. Despite forecast for showers during weekend extending upto Tuesday, traders were reluctant to go short as extended dry period for Corn Belts in Eastern US still holds firm. Since CBOT would remain closed on Monday on account of Memorial Day holiday, domestic soy oil is likely to track edible oils cues from BMD.

FUTURES MARKET: -

The most active June contract for soybeans at NCDEX traded bullish, tracking firm cues from CBOT. The futures opened at Rs 1524 /qtl against previous closing levels of Rs 1520.5/qtl. Futures closed at Rs 1531/qtl, well above the previous days closing levels.

PRICE DRIVERS:

1. Steady soymeal sentiments
2. Imported edible oils at ports.
3. Firm soy oil across spot markets.
4. Continued dry spell over Corn belts in US.
5. Crushing of beans likely to increase in US
6. India and China to import more edible oils.

WEATHER:

Weather is of little concern during lean period.

TECHNICALS: -

Candlestick shows firmness. Prices closed above the 9/18-day EMA. MACD is showing sign of recovery at lower levels. The stochastic has made a bullish cross over in neutral region. RSI is heading up. Volumes increased marginally and Open Interest declined. Prices are expected to trade firm in short term.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - June	1516	1521	1531	1541	1550

Trade Recommendation:

BUY NCDEX June Soybean contract above 1529 with target T1 at 1536. Put SL at 1524.

SPOT MARKET PRICES: -

Markets	Market	26.05.07	25.05.07	Change	Arrivals (Bags)
Indore	Plant	1500-1530	1500-1530	0	20,000
Indore	Mandi	1465-1470	1465-1470	0	
Maharashtra	Plant	1575	1560	+15	7000-8000
Maharashtra	Mandi	1490-1500	1510-1520	-20	
Kota	Plant	1510	1500-1510	0	1800
Kota	Mandi	1440-1460	1460-1470	-10	

MUSTARD

SPOT MARKETS:

Despite weekend trading, prices of mustard seeds [Condition and Non-Condition] continued its uptrend. Lower carry over stocks with NAFED coupled with firm edible oil sentiments in domestic and overseas markets are driving up the seed prices domestically. Mustard seed arrivals for the whole week kept a steady pace of 1 to 1.1 lakh bags. Around 1-lakh bags arrived on Saturday. On contrary, prices of mustard expeller oil in Rajasthan stood steady at previous days levels. However, prices of mustard oil in Mumbai continued to hold firm n global cues. With expectations of more imported vessels to arrive during June, pressure of imported soy and palm oil would continue to mount pressure on prices of mustard expeller and seeds.

FUTURES MARKET: -

The NCDEX June contract traded firm on continued buying support. The futures opened at Rs 412.85/20 Kg against previous closing of Rs 412.9/20 Kg. Futures closed at Rs 414.95/20 Kg slightly above the previous closing levels.

PRICE DRIVERS:

1. Steady sentiments for expeller oil.
2. Arrivals steady at previous days levels.
3. Imported oils on Indian shores.
4. NAFED stopped procurement drive of seeds.
5. Offtake by millers have declined

WEATHER: -

Dry weather over mustard growing regions.

TECHNICALS: -

Prices stood firm with slight buying pressure at higher levels. Prices closed above short term EMA's. MACD has made a bullish crossover in negative region. Both the oscillators [RSI and Stochastic] are rising in neutral region showing short-term firmness. Volumes declined and open interest increased marginally. Prices are likely to consolidate if it does not breaks out above immediate resistance at 414 levels.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - June	405	408	414.95	421	426

Trade Recommendation:

BUY NCDEX Mustard June contract above 413 with target T1 at 418. Put SL at 410.

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

Markets	26.05.07	25.05.07	Change	Arrivals (Bags)
Jaipur (C)	2020-2025	2000	+25	-
Alwar(C)	1940-1950	1935	+15	4000
Delhi(C)	2000-2010	1980-1985	+25	3000
Agra(C)/Katchi Ghani	2150/4925	2175/4900	-25	-
Sri Ganganagar (NC)	1785-1790	1770	+20	4000
Kota (NC)	1840-1860	1800-1840	+20	10,000-12,000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Traders in Gujarat reported that groundnut farmers are likely to shift for cotton cultivation as it was remunerative for last year and expect the trend to hold firm for present year also. The state government of Gujarat estimate that area of groundnut cultivation would fall by 10 to 15% this monsoon season, however clear indication would be available when sowing starts off later. On the same lines oilseed production during 2006-07 has been estimated to decline to around 28.5 lakh MT, a steep decline against previous years production of 46.66 lakh MT. **Prices of groundnut oil and nuts stood steady at previous days levels. The rates for different qualities of seeds were quoted in a range of Rs 410 to 519/20 Kg. Rates for groundnut oil at Rajkot was quoted range bound at Rs 690-692 per 10 Kg.**

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