

OILSEED DAILY

31st May 2007

SOYBEAN

SPOT MARKETS:

From May 15 to 30, soybean arrivals in MP declined from 25,000 bags to 18,000 bags, prices of soy oil [Indore] softened from Rs 468/10 Kg to Rs 462/10 Kg, whereas soybean prices across plants and Mandis managed to trade range bound. Amidst dearth of ready availability of seeds, soybean prices are likely to trade steady in short term until more imported oils reach by second half of June. Reacting to bearish cues from overseas market [CBOT], soymeal, soyoil and soybean prices settled considerably lower on Wednesday. At CBOT, weak export sales report for US soybeans, weakness in energy markets, bearish palm oil futures coupled with net long positions for soy futures led soybeans, meal and oil settle lower. Forecast of good rains for eastern Corn Belt regions in US further added to bearish tinge. If the rain forecast for Corn Belt doesn't materializes by weekend, both beans and corn could see some strength.

FUTURES MARKET: -

The most active June contract for soybeans at NCDEX traded on lower side amidst bearish bias. The futures opened at Rs 1517 /qtl against previous closing of Rs 1521.5 /qtl. Futures closed lower at Rs 1516/qtl, well below the previous days closing levels.

PRICE DRIVERS:

1. Weak soymeal sentiments
2. Imported edible oils at ports.
3. NAFED to import edible oils
4. Weak soy oil sentiments across spot and overseas markets.
5. Soy futures settled lower at CBOT.
6. Subdued export demand for soymeal.

WEATHER:

Monsoon is likely to hit Central India between 10 to 15 June. Good rainfall promises better planting progress for soybean across MP, Maharashtra and parts of North India.

TECHNICALS: -

Prices closed indecisive for the second consecutive day. Prices closed below the 9/18-day EMA. MACD is directionless. The stochastic is moving up. RSI has dipped. Both the Volumes and Open Interest declined marginally. Prices are likely to open lower and trade range bound.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - June	1505	1510	1516	1526	1530

Trade Recommendation:

SELL NCDEX June Soybean contract below 1520 with target T1 at 1514. Put SL at 1523.

SPOT MARKET PRICES: -

Markets	Market	30.05.07	29.05.07	Change	Arrivals (Bags)
Indore	Plant	1515-1525	1530-1540	-15	18,000
Indore	Mandi	1460-1480	1470-1490	-10	
Maharashtra	Plant	1560	1580	-20	10,000
Maharashtra	Mandi	1520	1510-1540	-20	
Kota	Plant	1500	1520-1525	-25	2000
Kota	Mandi	1470	1460-1470	0	

MUSTARD

SPOT MARKETS:

By start of the week, arrivals have managed to keep steady pace. The daily arrivals on Wednesday stood at previous days arrivals of 90,000 bags. Seed prices softened considerably across Kota and Sri Ganganagar regions, elsewhere stood range bound. Price of expeller oil in Mumbai softened tracking bearish cues from CBOT and BMD, however, expeller oil prices across Kota and Jaipur spot markets firmed up marginally on steady demand and limited stocks. Millers have reduced offtake of seeds from Mandis on pressure of imported oils and limited availability of seeds in open markets. Preference and consumptive demand for expeller oil still holds good during lean season; however, it would track general edible oil sentiments from time to time basis.

FUTURES MARKET: -

The NCDEX Mustard seed June contract traded steady with some buying support at lower levels. The futures opened at Rs 413.65/20 Kg against previous closing level of Rs 414.1/20 Kg. Futures closed at Rs 414.65/20 Kg marginally above the previous closing levels.

PRICE DRIVERS:

1. Steady sentiments for expeller oil.
2. Arrivals steady at previous days levels.
3. Imported soy and palm oils on Indian shores.
4. NAFED to import edible oils.
5. Offtake by millers are declining gradually.

WEATHER: -

Dry weather over mustard growing regions.

TECHNICALS: -

The EMA and MACD pattern indicates firmness in the market. Prices closed indecisive over the short term EMA's for second consecutive day. Stochastic is about to make a bearish cross over and RSI is moving up after a brief pause. Both the Volumes and open interest have declined. Prices are expected to open firm on account of steady buying support at lower levels.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - June	407	410	414.65	421	424

Trade Recommendation:

BUY NCDEX Mustard June contract above 415 with target T1 at 418. Put SL at 412.

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

Markets	30.05.07	29.05.07	Change	Arrivals (Bags)
Jaipur (C)	2025	2020-2025	0	-
Alwar(C)	1950	1950-1960	-10	4,000
Delhi(C)	2000	2000	0	3000
Agra(C)/Katchi Ghani	2150/4900	2150/4900	0	-
Sri Ganganagar (NC)	1750	1785-1790	-40	3000
Kota (NC)	1800-1810	1820-1830	-20	8,000-12,000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

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 softened on Monday on lack of fresh demand and general weakness in edible oil sentiments across domestic and overseas markets [CBOT and BMD]. The rates for different qualities of seeds were quoted in a range of Rs 410 to 510/20 Kg. Rates for groundnut oil at Rajkot was quoted range bound at Rs 668 per 10 Kg.

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