

OILSEED DAILY

SOYBEAN

25th May 2007

SPOT MARKETS:

Arrivals across MP improved marginally by 5000 bags over previous day's arrivals of 20,000 bags, elsewhere arrivals stood steady at previous days levels. Prices of soybean firmed up in M.P and softened across Maharashtra and Kota regions. Soy oil traded weak across Mumbai and Indore spot markets. Soymeal traded steady across domestic markets, firming up marginally at ports [Mumbai] on tracking bullish cues from CBOT. Outlook for dry weather in Eastern Corn Belt in US followed up by below optimum rains over western Corn belts provided support to soybeans. Well before the release of weekly export sales report, traders are estimating soybean sales to decline over sales for previous week. However, for the monthly crush report for April, traders look out for crush to come near 145.9 million bushels as compared to 135.5 million bushels last year but down from the March crush figure of 155.9 million bushels. Dry weather over Argentina is favouring harvest of beans. Traders are waiting for Census Bureau crush report for April month to get fresh cues. CBOT would remain closed on Monday on extended Memorial Day holiday.

FUTURES MARKET: -

The most active June contract for soybeans at NCDEX traded bullish, tracking firm cues from CBOT coupled with good buying support at lower levels. The futures opened at Rs 1499 /qtl against previous closing levels of Rs 1500.5/qtl. Futures closed at Rs 1516.55/qtl, well above the previous days closing levels.

PRICE DRIVERS:

1. Weak soymeal sentiments
2. Imported edible oils at ports.
3. Wet spell over Corn belts in US.
4. Crushing of beans likely to increase in US
5. Prospects for US soybean export holds firm
6. Edible oils likely to be included under PDS

WEATHER:

Weather is of little concern during lean period.

TECHNICALS: -

Candlestick shows that prices received good buying support at lower levels but closed below short term EMA's. MACD has turned flat. The stochastic is moving down whereas RSI is heading up. Volumes declined considerably in comparison to Open Interest. Market is expected to trade range bound with steady to firm opening.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - June	1500	1505	1516.50	1531	1538

Trade Recommendation:

BUY NCDEX June Soybean contract above 1515 with target T1 at 1526. Put SL at 1510.

SPOT MARKET PRICES: -

Markets	Market	24.05.07	23.05.07	Change	Arrivals (Bags)
Indore	Plant	1510-1520	1500-1510	+10	25,000
Indore	Mandi	1450-1470	1440-1450	+20	
Maharashtra	Plant	1550	1560	-10	10,000
Maharashtra	Mandi	1500-1505	1515-1520	-15	
Kota	Plant	1510	1510-1520	-10	2000-2200
Kota	Mandi	1460-1470	1470-1480	-10	

MUSTARD

SPOT MARKETS:

Mustard seed prices shows mixed trend on Thursday. The prices of seeds across Ganganagar and Kota region continued to hold firm on Thursday, elsewhere prices of seeds stood range bound. Despite gains in edible oil sentiments in overseas markets, prices of mustard expeller oil across spot markets stood range bound on Thursday. To recall, mustard oil traded weak on Wednesday on poor local demand and fresh offerings by stockists amidst news of Centre mulling the proposal to include edible oils under PDS. Arrivals on Thursday stood at previous days levels of around 1-lakh bags. Prices of edible oils continued to decline in steady fashion across Mumbai, Kota and Jaipur spot markets during previous week whereas prices of oils for present week managed to hold almost steady. On lack of fresh fundamentals in domestic markets, mustard complex awaits fresh cues. Pressure of imported oils still lingers on overall veg-oil complex.

FUTURES MARKET: -

The NCDEX June contract traded bullish on good buying support. The futures opened at Rs 406.1/20 Kg against previous closing of Rs 406/20 Kg. Futures closed at Rs 410.5/20 Kg well above the previous closing levels.

PRICE DRIVERS:

1. Steady sentiments for expeller oil.
2. Arrivals declined on Wednesday.
3. Imported oils on Indian shores.
4. Slow procurement drive of NAFED.
5. Offtake by millers have declined

WEATHER: -

Dry weather over mustard growing regions.

TECHNICALS: -

Candlestick shows bullishness. Prices closed above short term EMA's. RSI is moving up in neutral region. Stochastic has made a bullish crossover in neutral region. Volumes increased and open interest declined. Prices are likely to trade on higher side.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - June	402	405	410.50	420	426

Trade Recommendation:

BUY NCDEX Mustard June contract above 410 with target T1 at 416. Put SL at 407.

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

Markets	24.05.07	23.05.07	Change	Arrivals (Bags)
Jaipur (C)	1990	1990	0	-
Alwar(C)	1925-1930	1910-1915	+15	4000
Delhi(C)	1960-1965	1970	-5	4000
Agra(C)/Katchi Ghani	2125/4850	2125/4800	0	-
Sri Ganganagar (NC)	1740-1745	1710-1715	+30	2000
Kota (NC)	1780-1820	1775-1800	+20	6000-10,000

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 firmed up on Thursday. 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 675-676 per 10 Kg.**

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