

## OILSEED DAILY

30<sup>th</sup> May 2007

### SOYBEAN

#### SPOT MARKETS:

Amidst slight decline in arrivals, soybean prices continued to remain firm on second consecutive day. Soymeal prices improved across spot markets and stood steady at ports. Soy oil traded steady with slight firmness noticed in Indore. With NAFED intending to import more edible oils and more vessels carrying imported oils in queue, both soybean and soy oil would be under pressure unless global cues for beans are firm enough to uphold prices at steady levels. CBOT remained closed on Monday. However, it's a matter of speculation whether the previous week rally in soybean prices is likely to continue this week; following views of less than good conditions for soybean planting which may hamper soybean productivity and acreages in near term coupled with good demand for livestock feed from China and firm palm oil at BMD. For US Corns, focus would be likely on pollination progress in fields from June onwards.

#### FUTURES MARKET: -

The most active June contract for soybeans at NCDEX traded on lower side amidst bearish bias. The futures opened at Rs 1525.5 /qtl against previous closing of Rs 1523.5 /qtl. Futures closed lower at Rs 1522/qtl, slightly below the previous days closing levels.

#### PRICE DRIVERS:

1. Steady soymeal sentiments
2. Imported edible oils at ports.
3. NAFED to import edible oils
4. Firm soy oil across spot markets.
5. CBOT closed on Monday.
6. Subdued export demand for soymeal.

#### WEATHER:

Weather is of little concern during lean period.

#### TECHNICALS: -

Candlestick shows little price movements amidst certain level of indecisiveness. Prices closed near 9-day EMA. MACD is directionless. The stochastic is moving up. RSI is heading lower. 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	1510	1514	1522	1532	1536

#### Trade Recommendation:

BUY NCDEX June Soybean contract above 1520 with target T1 at 1528. Put SL at 1518.

#### SPOT MARKET PRICES: -

Markets	Market	29.05.07	28.05.07	Change	Arrivals (Bags)
Indore	Plant	1530-1540	1520-1535	+5	18,000
Indore	Mandi	1470-1490	1470-1480	+10	
Maharashtra	Plant	1580	1580	0	10,000
Maharashtra	Mandi	1510-1540	1520-1530	+10	
Kota	Plant	1520-1525	1520	+5	2000-3000
Kota	Mandi	1460-1470	1440-1470	0	

## MUSTARD

### SPOT MARKETS:

Arrivals on Tuesday stood at previous days levels of 90,000 bags. Prices of seeds across spot markets stood mixed on second consecutive day. Seed prices across Delhi and Kota region firmed up marginally over previous days prices, however, stood range bound on Tuesday. Mustard expeller oil traded steady across Mumbai, Jaipur and Kota region on account of decline in regular offtake of seeds by vanaspati units, stockists and millers. Lower availability of seeds for this season means lower crushing of seeds and hence lower availability of expeller oils for domestic consumption for ensuing months. With around 7 lakh MT of seeds in stock with NAFED, it would further import soy and palm oil to meet domestic requirements across different states. Imports of edible oil through NAFED are likely to be demand based.

### FUTURES MARKET: -

The NCDEX Mustard seed June contract closed indecisive. The futures opened at Rs 414.6/20 Kg against previous closing level of Rs 413.85/20 Kg. Futures closed at Rs 414.2/20 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: -

Prices closed indecisive over the short term EMA's with predominant buying support at lower levels. MACD is directionless. Stochastic and RSI indicate short-term firmness. Both the Volumes and open interest increased marginally. Prices are expected to open firm and trade range bound.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - June	406	410	414.20	422	426

### Trade Recommendation:

**BUY** NCDEX Mustard June contract above 415 with target T1 at 419. Put SL at 412.

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

Markets	29.05.07	28.05.07	Change	Arrivals (Bags)
Jaipur (C)	2020-2025	2025-2030	-5	-
Alwar(C)	1950-1960	1950	+10	5000-6000
Delhi(C)	2000	2000	0	3000
Agra(C)/Katchi Ghani	2150/4900	2150/4900	0	-
Sri Ganganagar (NC)	1785-1790	1780-1785	+5	3000
Kota (NC)	1820-1830	1820-1830	0	8,000-12,000

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET: -

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 softened on Monday on lack of fresh demand. The rates for different qualities of seeds were quoted in a range of Rs 410 to 512/20 Kg. Rates for groundnut oil at Rajkot was quoted range bound at Rs 672 per 10 Kg.**

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