

OILSEED DAILY

11th June 2007

SOYBEAN

SPOT MARKETS:

Well before release of South American crop estimates, soybean and soy oil futures at CBOT settled weak on weather concern over soybean and corn crops coupled with rising value of US dollar and weak energy markets. Domestically, spot prices of soybean and soy oil declined in tandem with global cues. The market awaits USDA supply demand estimates to be released on 11.06.07 [Monday]. As per FAO recently released Food Outlook for June 2007, "Despite a slowdown in growth in world oilseed production, global supplies of oilmeals and oils in 2006/07 are forecast to remain ample relative to demand owing to record opening stocks". Nonetheless, oilseeds and meal prices have continued to rise, largely under the influence of surging feed grain prices. As for vegetable oils, the firmness of prices mainly reflects poor harvests of high oil-yielding crops and a slowdown in palm oil expansion, against a backdrop of rising demand for bio-fuels".

FUTURES MARKET: -

The most active July contract for soybeans at NCDEX traded firm despite weak soybean futures at CBOT. The futures opened at Rs 1531 /qtl against previous closing of Rs 1535.5 /qtl. Futures closed up at Rs 1541/qtl, well above the previous days closing levels.

PRICE DRIVERS:

1. Steady domestic soymeal sentiments
2. More imported edible oils to arrive at ports
3. Steady soymeal futures at CBOT.
4. Weak soybean and soy oil futures at CBOT.
5. Dearth of ready available beans.

WEATHER:

Monsoon is hit Central India during first half of next week.

TECHNICALS: -

Candlestick shows that prices managed to recover losses and close firm on good buying support at lower levels. Prices closed above the 9/18-day EMA. MACD has moved above the zero line. Stochastic has moved down further whereas RSI has headed up. Both the Volumes and Open Interest declined. Prices are likely to trade steady unless it breaks out above or below the trading range.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - July	1525	1529	1541	1550	1555

Trade Recommendation:

BUY NCDEX July Soybean contract above 1537 with target T1 at 1542 and T2 at 1547. Put SL at 1534.

SPOT MARKET PRICES: -

Markets	Market	09.06.07	08.06.07	Change	Arrivals (Bags)
Indore	Plant	1510-1530	1520-1540	-10	30,000
Indore	Mandi	1450-1470	1470-1490	-20	
Maharashtra	Plant	1575-1580	1600	-20	8,000
Maharashtra	Mandi	1500-1530	1540-1550	-20	
Kota	Plant	1500-1510	1520-1530	-20	2000
Kota	Mandi	1440-1460	1470-1480	-20	

MUSTARD

SPOT MARKETS:

The daily arrivals on Saturday stood at previous days levels of 60,000 to 70,000 bags. Despite weekend trading, prices of seeds stood steady to firm across spot markets with slight softening observed in Agra region. However, spot prices of mustard expeller oil declined in tandem with soy oil. Amidst tapering exports of oilmeals, the demand for rapeseed meal is likely to remain subdued. As per market observers, if prices continue to hold firm, arrivals too are likely to improve during the week. With NAFED intending to import edible oils, the time lag in imports amidst diminishing stocks of seeds and expeller oil are likely to underpin prices of seeds and oils.

FUTURES MARKET: -

The NCDEX Mustard seed July traded firm on good buying support at current price levels. The futures opened at Rs 428.8/20 Kg against previous closing levels of Rs 429.9/20 Kg. Futures closed up at Rs 431.75/20 Kg slightly above the previous closing levels.

PRICE DRIVERS:

1. Steady to weak prices for expeller oil.
2. Dwindling stocks of seeds with traders.
3. Imported soy and palm oils on Indian shores.
4. Offtake by millers are declining gradually.
5. Restricted selling from stockists

WEATHER: -

Weather is insignificant as harvesting is completed and lean period for mustard seeds has started off until new seeds are sown from September onwards.

TECHNICALS: -

The prices have managed to recover previous days losses and the candlestick formed shows firmness in prices. MACD and EMA remained bullish. RSI has moved up further in overbought region. Stochastic has dipped indicating corrections lower. Both the Volumes and open interest declined. Prices are likely to extend the rally on good buying support at current price levels.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - July	422	426	431.40	439	442

Trade Recommendation:

BUY NCDEX Mustard July contract above 431 with target T1 at 435 and T2 at 437. Put SL at 429.

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

Markets	09.06.07	08.06.07	Change	Arrivals (Bags)
Jaipur (C)	2075	2075	0	-
Alwar(C)	1990-1995	1990	+5	2500-3000
Delhi(C)	2100	2100	0	3500
Agra(C)/Katchi Ghani	2175/5050	2200/5050	-25	-
Sri Ganganagar (NC)	1815-1820	1815	+5	4000-5000
Kota (NC)	1840-1850	1850	0	12,000-15,000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Following initial firmness in prices of edible oil across domestic markets, prices of nuts and groundnut oil improved marginally. Declining stocks of nuts for crushing are likely to keep prices of nuts and oil almost steady to slightly firm. Prices of nuts stood steady on Thursday. The rates for different qualities of seeds were quoted in a range of Rs 410 to 523/20 Kg. Rates for groundnut oil at Rajkot was quoted range bound at Rs 693 per 10 Kg.

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