

OILSEED DAILY

28th June 2007

SOYBEAN

SPOT MARKETS:

Tracking firm soybean and soymeal futures at CBOT, domestic soymeal prices across domestic markets and at ports rose in tandem while prices of soyoil managed to hold steady at Mumbai and Indore region. Soybean prices closed mixed with slight firmness noticed in MP, elsewhere it stood steady to weak. Continued weakness in palm oil prices at BMD couldn't lend support to soy oil prices in US. A good start for sowing may bring in temporary weakness in prices of soybean during first fortnight of July. Based on rainfall distribution pattern in India, IMD has prescribed optimum dates to start sowing operations. Since soybean cultivation takes place extensively in Central and western regions of MP the dates that suits sowing operation for current Kharif season are June 30 for central MP, 5 to 15 July for North West and Western MP regions and June 30 to 10 July for South West MP regions. For Maharashtra regions, sowing operations are near completion by 6th of July.

FUTURES MARKET: -

The most active July contract for soybeans at NCDEX traded firm on good buying support and firm soybean and soymeal futures at CBOT. The futures opened at Rs 1544/qtl against previous closing of Rs 1547.5/qtl. Futures closed lower at 1553.5/qtl, slightly above the previous days closing levels.

PRICE DRIVERS:

1. Steady domestic soymeal sentiments
2. Sowing demand for soybeans.
3. Firm soy futures at CBOT.
4. Weak palm oil futures at BMD.
5. Dearth of ready available beans.

WEATHER:

As per IMD, monsoon is expected to hit central India by month end.

TECHNICALS: -

Candlestick shows bullishness in prices with slight tentativeness in prices at higher levels as indicated by an upper shadow. Prices closed near the short term EMA's. The Stochastic has dipped whereas RSI has recovered. Both the Volumes and Open Interest declined. Prices are likely to trade steady unless it break out above or below immediate support or resistance levels of 1548 and 1563 respectively.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - July	1541	1545	1553.5	1567	1570

Trade Recommendation:

BUY NCDEX July Soybean contract near 1552 with target T1 at 1556 and T2 at 1560. Put SL at 1548.

SPOT MARKET PRICES: -

Markets	Market	27.06.07	26.06.07	Change	Arrivals (Bags)
Indore	Plant	1540-1565	1550-1560	+5	25,000
Indore	Mandi	1500-1530	1500-1530	0	
Maharashtra	Plant	1630	1640	-10	10,000
Maharashtra	Mandi	1560-1580	1580-1610	-30	
Kota	Plant	1540-1550	1540-1550	0	10,000
Kota	Mandi	1480-1500	1510	-10	

MUSTARD

SPOT MARKETS:

Despite monsoon showers over Rajasthan on Tuesday, daily arrivals remained unaffected on Wednesday. Around 60,000 bags arrived on Wednesday, a surge of 20,000 bags over previous days arrivals. Tracking slight firmness in soy complex, mustard seed prices stood firm across domestic exchanges. Prices of both condition and non-condition seeds too firmed up across spot markets. Though slight correction was noticed in expeller oil prices across Mumbai and Rajasthan regions on general weakness in edible oil sentiments, the demand for expeller oil from oil mills still holds good. Stockists are releasing seed stocks as per prevailing open market prices. Since major seeds are stocked with private traders and are in strong hands, domestic market sentiments are relying on buying support for seeds at prevailing price levels.

FUTURES MARKET: -

The NCDEX Mustard seed July traded bullish on good buying support. The futures opened at Rs 438.5/20 Kg against previous closing level of Rs 438.3/20 Kg. Futures closed up at Rs 443/20 Kg.

PRICE DRIVERS:

1. Firm prices for expeller oil.
2. Dwindling stocks of seeds with traders.
3. Good demand from vanaspati units and processors.
4. Restricted selling from stockists.
5. Monsoon may affect routine trading across Rajasthan.

WEATHER: -

Weather is insignificant for mustard, as harvesting is completed. However daily arrivals are likely to be affected.

TECHNICALS: -

Candlestick shows bullishness in the chart with prices recovering previous days losses. EMA and MACD indicate medium term firmness. Stochastic has dipped whereas RSI is moving up indicating slight firmness in prices. Volumes increased and open interest declined. Prices would open firm and trade steady unless it breaks out above 443 levels.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - July	436	438	443	445	446

Trade Recommendation:

BUY NCDEX Mustard July contract near 442 with target T1 at 444. Put SL at 441.

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

Markets	27.06.07	26.06.07	Change	Arrivals (Bags)
Jaipur (C)	2150-2155	2150	+5	-
Alwar(C)	2090-2095	2075	+20	4000
Delhi(C)	2175	-	-	1500-2000
Agra(C)/Katchi Ghani	2250/5200	2280/5150	-30	-
Sri Ganganagar (NC)	1890	1860-1870	+20	2500
Kota (NC)	1950	1900-1920	+30	-

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

On account of limited availability of crushing facility for groundnuts and good demand for groundnut oil, prices of both nuts and oil stood firm on Wednesday. The prices of shelled nuts ranged from Rs 410 to 558/20 Kg. Rates for groundnut oil at Rajkot firmed up to Rs 755 per 10 Kg. Declining stocks of nuts for crushing are likely to keep prices of nuts and oil almost steady to slightly firm. Amidst poor demand of groundnut meals domestically and ports with poor realization of groundnut oil, expellers were reluctant to speed up crushing during previous week. However, slightly improved sentiments for groundnut and oil in near term may support see some improvement in crushing of nuts at the back of steady demand for meal in domestic markets.

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