

## OILSEED DAILY

### SOYBEAN

2<sup>nd</sup> June 2007

#### SPOT MARKETS:

With monsoon approaching Central India, sowing for soybeans is likely to pick up from next week onwards. Under assumption of normal to good rainfall, traders expect that acreage for soybeans during Kharif-2007 is expected to increase marginally over previous years total soybean acreage of 69 lakh ha. Last year soybean occupied around 42 lakh ha of area in MP. On Friday soymeal traded steady to weak on slight decline in buying interest, soy oil traded firm across Indore and Mumbai spot markets whereas soybean prices extended previous days firmness. At CBOT, soybean settled lower on good pace for planting progress for soybean coupled with traders anticipating that higher prices of soy oil may offset strength in beans. As per the weekly crop progress report, around 80% of US soybean has been planted as on May 27 as compared to 59% planted last week. Forecast for good rains in Ohio and Illinois is expected to support soybean plantation and germination progress for US soybean. With USDA reducing its fiscal 2007 forecast for US agricultural trade surplus is likely to provide support to grain and soybean markets.

#### FUTURES MARKET: -

The most active June contract for soybeans at NCDEX witnessed choppy trading amidst weak soybean futures at CBOT. The futures opened at Rs 1529 /qtl against previous closing of Rs 1531 /qtl. Futures closed at Rs 1528/qtl, slightly below the previous days closing levels.

#### PRICE DRIVERS:

1. Steady to weak soymeal sentiments
2. Imported edible oils at ports.
3. Slightly improved soy oil sentiments across spot and overseas markets.
4. Soybean settled lower at CBOT

#### 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: -

Candlestick shows indecisiveness over price direction. Prices managed to close above the 9/18-day EMA. RSI has dipped and Stochastic is moving up towards overbought region. MACD is directionless. Both the Volumes and Open Interest declined. Prices are likely to stay volatile.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - June	1515	1520	1528	1545	1550

#### Trade Recommendation:

**BUY** NCDEX June Soybean contract above 1530 with target T1 at 1537 and T2 at 1541. Put SL at 1526.

#### SPOT MARKET PRICES: -

Markets	Market	01.06.07	31.05.07	Change	Arrivals (Bags)
Indore	Plant	1530-1540	1520-1530	+10	30,000
Indore	Mandi	1450-1480	1460-1480	0	
Maharashtra	Plant	1570	1570	0	14,000
Maharashtra	Mandi	1500-1520	1500-1520	0	
Kota	Plant	1500-1510	1500	+10	2000
Kota	Mandi	1450-1460	1450-1460	0	

## MUSTARD

### SPOT MARKETS:

Arrivals stood at previous day's level of 50,000 bags. Until midweek arrivals have been maintaining steady pace however it declined steeply during later half of the week on restricted selling from stockists and limited offtake from millers in Rajasthan. Extending firmness from other spot markets, Alwar market re-opened with firm note with slight improvement noticed in arrivals and prices of seeds. Prices across other spot markets continued to stay firm. Prices of mustard expeller oil improved slightly in Kota and Mumbai markets, elsewhere it stood at previous days levels. Arrivals are expected to taper further from next week onwards on dwindling stocks with traders and decline in pace of crushing of seeds. Mustard complex has been moving in tandem with soy complex and is expected to follow it up for next week also. With more vessels of imported oils yet to arrive, prices of seeds and oil are likely to rule steady to firm.

### FUTURES MARKET: -

The NCDEX Mustard seed June contract traded firm on good buying support. The futures opened at Rs 418/20 Kg against previous closing level of Rs 418.85/20 Kg. Futures closed up at Rs 420.7/20 Kg marginally above the previous closing levels.

### PRICE DRIVERS:

1. Steady to firm sentiments 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: -

Candlestick shows firmness in prices with slight buying interest at lower levels. Prices closed above the short term EMA's. MACD is about to enter positive region. Stochastic is moving up and RSI is hovering in overbought region. Both the Volumes and open interest increased. Prices are expected to open firm and trade range bound.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - June	410	415	420.7	427	430

### Trade Recommendation:

**BUY** NCDEX Mustard June contract above 419 with target T1 at 422 and T2 at 425. Put SL at 416.

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

Markets	01.06.07	31.05.07	Change	Arrivals (Bags)
Jaipur (C)	2050-2055	2030-2050	+5	-
Alwar(C)	1970	-	-	6000
Delhi(C)	2060	2025	+35	2000
Agra(C)/Katchi Ghani	2200/4950	2175/4950	+25	-
Sri Ganganagar (NC)	1800	1780-1785	+15	3000
Kota (NC)	1850	1840	+10	8,000

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 firmed up on firm global cues. Reacting to it prices of groundnut oil and nuts firmed up marginally on Friday. The rates for different qualities of seeds were quoted in a range of Rs 410 to 518/20 Kg. Rates for groundnut oil at Rajkot was quoted range bound at Rs 680-685 per 10 Kg.

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