

OILSEED DAILY

26th June 2007

SOYBEAN

SPOT MARKETS:

The recent estimates from Centre show a relatively slow progress of groundnut and soybean plantations against that of Cotton, as monsoon is yet to hit Central India regions by month end. Amidst slightly improved arrivals, prices of soybean stood mixed whereas prices of soymeal softened on Monday. Prices of soy oil stood steady at previous weekend levels awaiting fresh cues from CBOT. General weakness in palm oil at BMD is said to have made it affect felt across domestic prices of soybean and eventually on meal across domestic markets and at ports. Domestic soymeal prices seem to be consolidating on global cues despite supportive demand from poultry and feed industry. Edible oil prices [soy and palm oil] are now undergoing correction phase as higher prices have made a dent of its exports. The rally in palm oil prices seems to be slowing down its pace as it had given enough opportunity for exports of soy oil from US and South America to Asian countries.

FUTURES MARKET: -

The most active July contract for soybeans at NCDEX traded on lower side on profit booking at higher levels. The futures opened at Rs 1564.5/qrtl against previous closing of Rs 1562.5/qrtl. Futures closed lower at 1557.5/qrtl, well below the previous days closing levels.

PRICE DRIVERS:

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

WEATHER:

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

TECHNICALS: -

Candlestick shows bearishness. Prices closed below the short term EMA. The Stochastic and RSI have dipped further indicating prices vulnerable to selling pressure. Volumes increased marginally and Open Interest declined. Prices are trade on lower side.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - July	1544	1546	1557.50	1566	1570

Trade Recommendation:

SELL NCDEX July Soybean contract below 1560 with target T1 at 1556 and T2 at 1552. Put SL at 1563.

SPOT MARKET PRICES: -

Markets	Market	25.06.07	23.06.07	Change	Arrivals (Bags)
Indore	Plant	1550-1560	1550-1560	0	25,000
Indore	Mandi	1510-1530	1510-1520	+10	
Maharashtra	Plant	1625	1640-1650	-25	10,000
Maharashtra	Mandi	1580-1600	1580-1600	0	
Kota	Plant	1540-1545	1540-1545	0	5000
Kota	Mandi	1490-1500	1475-1490	+10	

MUSTARD

SPOT MARKETS:

Previous week, mustard complex stood immune to global cues and soared up on good buying support. Mustard complex now seems to be back on track and is likely to move in tandem with soy complex. Prices of seeds across domestic exchanges eased down on global cues. The seed prices across spot markets stood mixed on Monday with slight firmness noticed across Delhi, Ganganagar and Kota regions, elsewhere it softened on steady demand and lack of fresh fundamentals. The total daily arrivals stood at 50,000 bags a decline of around 15,000 bags over previous weekends arrivals. Prices of expeller oil firmed up marginally in Mumbai regions and stood steady across markets of Rajasthan. The time lag in import of substitute edible oils, lower production [Rabi 2006-07] coupled with tight stock position [seeds and oil] with traders would continue to underpin mustard complex.

FUTURES MARKET: -

The NCDEX Mustard seed July traded sideways with predominant selling interest. The futures opened at Rs 442.8/20 Kg against previous closing level of Rs 443/20 Kg. Futures closed lower at Rs 441.7/20 Kg.

PRICE DRIVERS:

1. Steady prices for expeller oil.
2. Dwindling stocks of seeds with traders.
3. Good demand from vanaspati units and processors.
4. Restricted selling from stockists.

WEATHER: -

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

TECHNICALS: -

Candlestick show narrow range bound trade with predominant selling interest. EMA and MACD indicate medium term firmness. Stochastic is on the verge of making bearish crossover in overbought region and RSI has dipped lower indicating slight correction lower. Both the Volumes and open interest declined. Prices are likely to open weak and trade slightly lower.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - July	437	439	441.7	445	446

Trade Recommendation:

SELL NCDEX Mustard July contract near 442.55 with target T1 at 441. Put SL at 443.5.

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

Markets	25.06.07	23.06.07	Change	Arrivals (Bags)
Jaipur (C)	2160-2165	2170	-5	-
Alwar(C)	2080-2085	2100	-15	2000
Delhi(C)	2180	2130	+50	1500-2000
Agra(C)/Katchi Ghani	2325/5150	2325/5150	0	-
Sri Ganganagar (NC)	1910	1880	+30	2500
Kota (NC)	1950	1940	+10	-

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 Monday. The prices of shelled nuts ranged from Rs 410 to 555/20 Kg. Rates for groundnut oil at Rajkot firmed up to Rs 750 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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