

OILSEED DAILY

SOYBEAN

9th June 2007

SPOT MARKETS:

Extending slight firmness in soy futures at CBOT on account of weather concern, domestic prices of soybean stood range bound in MP, firmed up in Maharashtra and stood steady in Kota region with arrivals holding steady at previous levels. Soymeal traded steady. At domestic front, soaring prices of edible oils in overseas markets have made importers apprehensive on parity concern. Traders expect slight corrections in prices of edible oils traded at BMD and CBOT. At overseas front, traders in US look forward for a modest decline in US soybean ending stock [2006-07] for the monthly USDA supply demand report for the month of June which is scheduled to be released on Monday [11.06.07]. The estimates ranged from 580 million to 620 million bushels. With moderate corrections witnessed at BMD, US soy oil is expected to mirror the sentiments as both the oils compete to retain their market shares.

FUTURES MARKET: -

The most active July contract for soybeans at NCDEX witnessed choppy trading with predominant selling interest. The futures opened at Rs 1538 /qtl against previous closing of Rs 1534.5 /qtl. Futures closed at Rs 1535.50/qtl, marginally above the previous days closing levels.

PRICE DRIVERS:

1. Steady domestic soy meal sentiments
2. More imported edible oils to arrive at ports
3. Firm soy futures at CBOT.
4. Weak palm oil at BMD.
5. Dearth of ready available beans.

WEATHER:

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

TECHNICALS: -

Candlestick shows narrow trade with predominant selling interest. Prices closed near the 9-day EMA. MACD has touched the zero line. Stochastic has moved down indicating corrections at higher levels. RSI is hovering in neutral region. Volumes increased and Open Interest declined marginally. Prices are likely to open lower and trade steady. Buy on dips.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - June	1515	1522	1535.50	1542	1545

Trade Recommendation:

BUY NCDEX July Soybean contract above 1528 with target T1 at 1533 and T2 at 1538. Put SL at 1524.

SPOT MARKET PRICES: -

Markets	Market	08.06.07	07.06.07	Change	Arrivals (Bags)
Indore	Plant	1520-1540	1530-1540	0	25,000-30,000
Indore	Mandi	1470-1490	1450-1490	0	
Maharashtra	Plant	1600	1580	+20	10,000-12,000
Maharashtra	Mandi	1540-1550	1510-1530	+20	
Kota	Plant	1520-1530	1525-1530	0	2000
Kota	Mandi	1470-1480	1470	+10	

MUSTARD

SPOT MARKETS:

Mostly firm open market prices of seeds across domestic markets; on global cues, have kept the arrivals pressure almost steady for the whole week. Amidst steady arrivals [70,000 bags] on Friday and on account of lack of fresh fundamentals, mustard seed prices showed mixed trend. Prices stood range bound in Delhi and Jaipur markets, firmed up in Alwar and softened at Agra, Sri Ganganagar and Kota regions. With Centre proposing to import soy and palm oil through state trading bodies [MMTC, NAFED], the time lag in importing and processing it further would keep sentiments almost buoyant unless prices of edible oil in overseas market see some corrections. Notably mustard complex has been closely following soy complex in domestic markets. However, lean season for mustard coupled with dearth of oil and mustard seed stocks would continue to underpin seed prices in short to medium term.

FUTURES MARKET: -

The NCDEX Mustard seed July contract witnessed choppy trading and closed indecisive. The futures opened at previous closing levels of Rs 429.5/20 Kg. Futures closed at Rs 429.9/20 Kg near the previous closing levels.

PRICE DRIVERS:

1. Steady 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: -

Candlestick shows that prices closed indecisive. MACD and EMA remained bullish. RSI is hovering in overbought region and Stochastic has dipped indicating corrections lower. Both the Volumes and open interest increased marginally. Prices are likely to open slightly lower and trade steady thereafter on good buying support at current price levels.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - June	415	420	429.90	435	438

Trade Recommendation:

BUY NCDEX Mustard July contract above 427 with target T1 at 430 and T2 at 433. Put SL at 423.

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

Markets	08.06.07	07.06.07	Change	Arrivals (Bags)
Jaipur (C)	2075	2075	0	-
Alwar(C)	1990	1975-1980	+10	3000
Delhi(C)	2100	2100	0	3500
Agra(C)/Katchi Ghani	2200/5050	2225/5025	-25	-
Sri Ganganagar (NC)	1815	1815-1820	-5	4000
Kota (NC)	1850	1840-1860	-10	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 690 per 10 Kg.

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