

OILSEED DAILY

29th June 2007

SOYBEAN

SPOT MARKETS:

Approaching rains showers over MP and prospects of better oilseed acreage in Maharashtra [over cotton] may cast off temporary weakness in prices of soybean despite lower stock position with traders and global cues. On Thursday, soymeal prices stood steady across ports while it eased slightly across domestic markets. Prices of soy oil firmed up marginally in Mumbai region while holding steady at Indore. Amidst slightly improved arrivals in MP, the soybean prices softened marginally in Indore region, stood firm across Maharashtra and softened in Kota regions. At CBOT, soy futures declined modestly on spill over pressure from grain futures and mixed views on weather forecasts. For fresh insights, the traders in US await for the quarterly grain stock report, soybean-planting report, the monthly crush report and weekly export sales data.

FUTURES MARKET: -

The most active August contract for soybeans at NCDEX traded indecisive on tracking weak cues from CBOT. The futures opened at Rs 1568/qrtl against previous closing of Rs 1566.5/qrtl. Futures closed lower up at 1569/qrtl, slightly above the previous days closing levels.

PRICE DRIVERS:

1. Steady domestic soymeal sentiments
2. Sowing demand for soybeans.
3. Weak soy futures at CBOT.
4. Slightly firm 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 indecisive trade activity with good buying support at lower levels as reflected in lower shadow in the candlestick. Prices closed near the short term EMA's. MACD is on the verge of making a bearish crossover in positive region. The Stochastic has dipped whereas RSI is moving up in neutral region. Volumes increased and Open Interest declined. Prices are likely to open firm with slight selling pressure at higher levels.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	1552	1556	1569	1587	1595

Trade Recommendation:

BUY NCDEX August Soybean contract near 1568 with target T1 at 1575 and T2 at 1583. Put SL at 1563.

SPOT MARKET PRICES: -

Markets	Market	28.06.07	27.06.07	Change	Arrivals (Bags)
Indore	Plant	1545-1555	1540-1565	-10	25,000-30,000
Indore	Mandi	1490-1510	1500-1530	-20	
Maharashtra	Plant	1640	1630	+10	10,000
Maharashtra	Mandi	1570-1600	1560-1580	+20	
Kota	Plant	1520-1540	1540-1550	-10	5000-6000
Kota	Mandi	1480-1500	1480-1500	0	

MUSTARD

SPOT MARKETS:

Crushing of seeds by millers at prevailing seed prices means lower realization against mustard oil unless prices of expeller oil are quoted higher eventually improving net margins at millers end. Amidst mixed cues from CBOT and BMD, mustard complex continued to extend previous days firmness. Mustard seed prices closed weak across domestic exchange except for slight firmness noticed in Sirsa exchange. Notably, for the month of June, the prices of seeds across Agra, Ganganagar and Kota regions soared to its highest level. On Thursday, the daily arrivals declined to around 50,000 bags from previous days arrivals of 60,000 bags. Prices of expeller oil stood steady across markets in Rajasthan, however, it firmed up in Mumbai region.

FUTURES MARKET: -

The NCDEX Mustard seed August traded on higher side on good buying support. The futures opened at Rs 453.45/20 Kg against previous closing level of Rs 452.6/20 Kg. Futures closed marginally up at Rs 452.9/20 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 narrow range bound trade with predominant selling interest. EMA and MACD indicate medium term firmness. Stochastic has dipped whereas RSI is moving up in overbought region. Volumes declined and open interest increased. Prices would open slightly lower and trade steady to firm in later part of trading session on good buying support at lower levels as reflected by relatively longer lower shadow of the candlestick.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - August	445	448	452.9	456	457

Trade Recommendation:

BUY NCDEX Mustard August contract near 452 with target T1 at 455. Put SL at 450.

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

Markets	28.06.07	27.06.07	Change	Arrivals (Bags)
Jaipur (C)	2160-2165	2150-2155	+10	-
Alwar(C)	2110-2115	2090-2095	+20	4000
Delhi(C)	2210	2175	+35	1500-2000
Agra(C)/Katchi Ghani	2290/5250	2250/5200	+40	-
Sri Ganganagar (NC)	1950-1960	1890	+70	2500
Kota (NC)	1980-1990	1950	+40	-

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 Thursday. The prices of shelled nuts ranged from Rs 410 to 560/20 Kg. Rates for groundnut oil at Rajkot firmed up to Rs 756 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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