

OILSEED DAILY

20th June 2007

SOYBEAN

SPOT MARKETS:

Under assumption of normal rainfall distribution [75 to 100 mm /Day] and normal cropping period of 90 to 125 days, the Kharif soybean planting across Amaravati, Nagpur and Kolhapur districts is expected to be over by end of June. However, rainfall of 100 to 150 mm is crucial for proper germination progress and hence requires assured rainfall distribution during July. Soybean prices firmed up in MP and Maharashtra whereas it softened in Kota region. Despite shortage of beans for crushing and limited stocks with traders, soymeal demand from poultry and feed industry continue to support soymeal and soybean prices across domestic markets. However, domestic consumption is likely to further taper exports of soymeal. Spot prices of soy oil stood steady at previous days levels. At CBOT, demand for soymeal from feed industry and weather concern over Eastern Corn Belt continue to hold up soy futures.

FUTURES MARKET: -

The most active July contract for soybeans at NCDEX traded on higher side with bearish bias. The futures opened at Rs 1568/qtl against previous closing of Rs 1565.5/qtl. Futures closed up at Rs 1564.5/qtl, marginally below the previous days closing levels.

PRICE DRIVERS:

1. Improved domestic soymeal sentiments
2. Sowing demand for soybeans.
3. NAFED imported 25,000 MT palm oils.
4. Dearth of ready available beans.
5. Good rainfall crucial for sowing progress of soybean.

WEATHER:

As per IMD, monsoon is advancing fairly well towards Central India regions and has hit regions of Maharashtra.

TECHNICALS: -

Candlestick shows selling on rallies. Despite a close above the 9/18-day EMA, prices couldn't breach the intermediate high of 1570 levels. The MACD and EMA pattern is bullish. Stochastic is rising in neutral region whereas RSI is dipping. Both the Volumes and Open Interest declined. Prices are likely to open lower on selling pressure at higher levels.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - July	1545	1552	1564.50	1572	1578

Trade Recommendation:

SELL NCDEX July Soybean contract below 1565 with target T1 at 1559 and T2 at 1556. Put SL at 1568.

SPOT MARKET PRICES: -

Markets	Market	19.06.07	18.06.07	Change	Arrivals (Bags)
Indore	Plant	1540-1560	1550	+10	22,000
Indore	Mandi	1480-1510	1475-1500	+10	
Maharashtra	Plant	1650	1650	0	15,000
Maharashtra	Mandi	1580-1610	1580-1600	+10	
Kota	Plant	1530-1540	1530-1550	-10	3000
Kota	Mandi	1470-1490	1485-1500	-10	

MUSTARD

SPOT MARKETS:

Mustard seed prices across domestic exchange stood firm on Tuesday. However seed prices across spot markets stood mixed, managing to hold firmness across Jaipur and Agra regions, elsewhere it softened on global cues. Spot prices of mustard expeller oil firmed up in Mumbai regions and across Rajasthan. The daily arrivals increased to 60,000 bags marginally ahead of previous days arrivals by 5,000 bags. Restricted selling by stockists and good demand from vanaspati units and millers are holding the prices of seeds and oils almost firm. Imports of edible oils through state trading bodies may cast in temporary weakness. As per orders from VOP Directorate, now it is not compulsory to use mustard oil in manufacture of Vanaspati, though manufacturers can make use of expeller mustard oil in Vanaspati upto 30% by weight on monthly basis.

FUTURES MARKET: -

The NCDEX Mustard seed July traded steady on good buying support at current price levels. The futures opened at Rs 432.5/20 Kg against previous closing level of Rs 433.0/20 Kg. Futures closed at Rs 434.35/20 Kg marginally above the previous closing levels.

PRICE DRIVERS:

1. Firm prices for expeller oil.
2. Dwindling stocks of seeds with traders.
3. NAFED imported palm oils from Malaysia.
4. Offtake by millers are declining gradually.
5. Restricted selling from stockists

WEATHER: -

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

TECHNICALS: -

Candlestick shows slight firmness in prices. MACD is rising in positive region. Stochastic and RSI are moving up indicating gain in positive momentum. Both the Volumes and open interest declined. Prices are likely to trade higher after slight weak opening.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - July	426	429	434.35	439	441

Trade Recommendation:

BUY NCDEX Mustard July contract near 433.55 with target T1 at 435 and T2 at 437. Put SL at 431.

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

Markets	19.06.07	18.06.07	Change	Arrivals (Bags)
Jaipur (C)	2130	2125	+05	-
Alwar(C)	2040	2035-2040	0	2000
Delhi(C)	2125-2130	2150	-20	1500-2000
Agra(C)/Katchi Ghani	2250/5000	2225/5000	+25	-
Sri Ganganagar (NC)	1850-1860	1910-1915	-55	-
Kota (NC)	1900-1920	1950-1960	-40	15,000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Tracking firmness in oilseeds and edible oils, the rates for different qualities of seeds firmed up to Rs 410 to 544/20 Kg. Rates for groundnut oil at Rajkot firmed up to Rs 720-721 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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