

## OILSEED DAILY

### SOYBEAN

30<sup>th</sup> June 2007

#### SPOT MARKETS:

At CBOT, short covering in soybean futures, good weekly export sales report for soy oil, mildly supportive Census crush report [May] for soybean coupled with slightly firm palm oil at BMD helped soybean and soy oil bounce from short-term oversold condition. Domestically, soymeal prices stood steady at ports while improving marginally across domestic markets. Soy oil firmed up across Mumbai and Indore region. Following up, soybean prices too rose in tandem across plants but stood steady at spot markets. However arrivals stood steady at previous levels. Rain showers over Kota region in Rajasthan were found supportive for sowing of soybeans. Market sources state that sowing operations have started off in Ujjain dist of MP and are picking up well in other regions too. Sowing across Maharashtra has already picked up pace and is slated to be completed by first week of July.

#### FUTURES MARKET: -

The most active August contract for soybeans at NCDEX traded bullish on tracking firm soy futures at CBOT. The futures opened at Rs 1571.5/qrtl against previous closing of Rs 1569/qrtl. Futures closed up at 1582/qrtl, well above the previous days closing levels.

#### PRICE DRIVERS:

1. Steady domestic soymeal sentiments
2. Sowing demand for soybeans.
3. Firm soybean and soy oil 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 bullishness with good buying support at lower levels as indicated by lower shadow of the candlestick. Prices closed well above the short term EMA's. MACD is moving up in positive region. The Stochastic is on verge of making bullish crossover whereas RSI is heading up indicating firmness in prices. Both the Volumes and Open Interest increased. Prices are likely to open firm and trade on higher side.



#### SUPPORT / RESISTANCE:

| Contract       | S2   | S1   | PCP  | R1   | R2   |
|----------------|------|------|------|------|------|
| NCDEX - August | 1568 | 1572 | 1582 | 1600 | 1608 |

#### Trade Recommendation:

**BUY** NCDEX August Soybean contract near 1582 with target T1 at 1590 and T2 at 1596. Put SL at 1576.

#### SPOT MARKET PRICES: -

| Markets     | Market | 29.06.07  | 28.06.07  | Change | Arrivals (Bags) |
|-------------|--------|-----------|-----------|--------|-----------------|
| Indore      | Plant  | 1540-1560 | 1545-1555 | +5     | 25,000-30,000   |
| Indore      | Mandi  | 1490-1510 | 1490-1510 | 0      |                 |
| Maharashtra | Plant  | 1640-1645 | 1640      | +5     | 8,000           |
| Maharashtra | Mandi  | 1580-1600 | 1570-1600 | 0      |                 |
| Kota        | Plant  | 1540-1545 | 1520-1540 | +5     | 5000            |
| Kota        | Mandi  | 1490-1500 | 1480-1500 | 0      |                 |

## MUSTARD

### SPOT MARKETS:

Mustard seed prices across domestic exchanges softened on Friday. Spot prices of seeds and oil stood firm on Friday on tracking general firmness in soy complex. Rain showers over Rajasthan on Thursday hampered daily arrivals. Around 30,000 to 35,000 bags arrived on Friday, a decline of 15,000 bags over the previous day. On Friday, mustard seed prices across Agra region firmed up, surpassing previous weeks highs of Rs 2175/qttl to Rs 2300/qttl. Price of expeller oil at Jaipur region too rose in tandem, from Rs 468 /10 kg [Monday] to Rs 478/10 Kg [Friday]. As per market observers, higher prices of seeds and oils may offset offtake of seeds in bulk in near term. Global cues and lean season promises underlying support for prices of seeds and oils to hold firm in medium term.

### FUTURES MARKET: -

The NCDEX Mustard seed August traded on higher side on good buying support. The futures opened at Rs 453.5/20 Kg against previous closing level of Rs 452.9/20 Kg. Futures closed marginally up at Rs 454.15/20 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 buying interest. Rising EMA and MACD indicate medium term firmness. Stochastic has made a bullish crossover in overbought region whereas RSI too is moving up in overbought region indicating firmness in prices with likely correction lower. Volumes declined and open interest increased. Prices are likely to stay volatile at higher levels on account of persistent selling pressure at higher levels.



### SUPPORT / RESISTANCE:

| Contract       | S2  | S1  | PCP    | R1  | R2  |
|----------------|-----|-----|--------|-----|-----|
| NCDEX - August | 446 | 448 | 454.15 | 458 | 460 |

### Trade Recommendation:

**BUY** NCDEX Mustard August contract near 454 with target T1 at 456 and T2 at 457. Put SL at 451.

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

| Markets              | 29.06.07  | 28.06.07  | Change | Arrivals (Bags) |
|----------------------|-----------|-----------|--------|-----------------|
| Jaipur (C)           | 2175      | 2160-2165 | +10    | -               |
| Alwar(C)             | 2125      | 2110-2115 | +10    | 3000            |
| Delhi(C)             | 2200      | 2210      | -10    | 1500            |
| Agra(C)/Katchi Ghani | 2300/5300 | 2290/5250 | +10    | -               |
| Sri Ganganagar (NC)  | 1875-1890 | 1860-1870 | +20    | 2500            |
| Kota (NC)            | -         | -         | -      | -               |

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 continued to rise on Friday. The prices of shelled nuts ranged from Rs 410 to 564/20 Kg. Rates for groundnut oil at Rajkot firmed up to Rs 766 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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