

OILSEED DAILY

SOYBEAN

12th June 2007

SPOT MARKETS:

With start of June, the prices of soybean have managed to firm up gradually across Maharashtra and Kota regions, however it stood range bound in MP. As per trade sources, appreciating value of rupee and subdued export demand for soymeal has kept the trade sentiments almost dull in MP. Recouping previous weekends loss, the spot prices of soybeans stood firm on Monday. Arrivals improved marginally in Maharashtra and Kota region. However, prices of soy oil and soymeal stood steady at previous weekends levels. A sharp correction in palm oil futures at BMD on Monday is likely to have a spill over affect on soy oil trade at CBOT and consecutively across domestic markets. The market awaits fresh cues from USDA monthly supply demand estimates for oilseeds crop, which is scheduled for release on Monday.

FUTURES MARKET: -

The most active July contract for soybeans at NCDEX witnessed choppy trading on Monday. The futures opened at Rs 1545 /qtl against previous closing of Rs 1541 /qtl. Futures closed lower at Rs 1537/qtl, slightly below the previous days closing levels.

PRICE DRIVERS:

1. Steady domestic soymeal sentiments
2. Subdued export demand for soymeal.
3. NAFED to import 10 lakh MT edible oils.
4. Dearth of ready available beans.

WEATHER:

As per IMD, monsoon is advancing fairly well towards Central India regions. It is expected to hit parts of central Maharashtra by Wednesday.

TECHNICALS: -

Candlestick shows bearishness. Prices closed near the 9-day EMA. MACD has moved above the zero line. Stochastic has dipped lower; RSI too has plunged indicating short-term weakness in prices. Volumes increased and Open Interest declined marginally. Prices are likely to open lower and trade steady on buying support at lower levels.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - July	1515	1522	1537	1543	1546

Trade Recommendation:

BUY NCDEX July Soybean contract above 1532 with target T1 at 1538. Put SL at 1526.

SPOT MARKET PRICES: -

Markets	Market	11.06.07	09.06.07	Change	Arrivals (Bags)
Indore	Plant	1525-1535	1510-1530	+5	25,000
Indore	Mandi	1460-1480	1450-1470	+10	
Maharashtra	Plant	1600	1575-1580	+20	12,000
Maharashtra	Mandi	1540-1550	1500-1530	+20	
Kota	Plant	1520-1525	1500-1510	+15	3000
Kota	Mandi	1450-1470	1440-1460	+10	

MUSTARD

SPOT MARKETS:

Higher open market prices of seeds are keeping arrivals steady at previous weeks levels. The daily arrivals on Monday declined marginally to 60,000 bags from previous weekends arrivals of 70,000 bags. The spot market prices of mustard seeds were quoted slightly higher on Monday. Tracking initial firmness in palm oil at BMD, mustard expeller oil prices were quoted higher in Mumbai region, elsewhere it stood at previous weekends levels. However, the firmness in expeller oil prices is likely to be short lived as palm oil witnessed a major correction on Monday. The spillover affect is likely to be seen across other edible oils namely soy and mustard oils. Lower production for mustard seeds this year coupled with time lag in imports of edible oils through NAFED would keep the prices underpinned.

FUTURES MARKET: -

The NCDEX Mustard seed July traded indecisive on Monday. The futures opened at Rs 432/20 Kg against previous closing levels of Rs 431.4/20 Kg. Futures closed at Rs 431.80/20 Kg slightly near the previous closing levels.

PRICE DRIVERS:

1. Steady prices for expeller oil.
2. Dwindling stocks of seeds with traders.
3. NAFED to import edible oils.
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: -

Prices closed indecisive. Candlestick shows selling pressure at higher levels. MACD and EMA remained bullish. RSI is hovering in overbought region whereas Stochastic has dipped further making prices vulnerable to corrections lower. Both the Volumes and open interest increased. Prices are likely to open lower, buy on dips.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - July	418	421	431.80	436	438

Trade Recommendation:

BUY NCDEX Mustard July contract above 427 with target T1 at 431 and T2 at 433. Put SL at 424.

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

Markets	11.06.07	09.06.07	Change	Arrivals (Bags)
Jaipur (C)	2080-2085	2075	+10	-
Alwar(C)	2000-2010	1990-1995	+15	4000
Delhi(C)	2120-2125	2100	+25	3500
Agra(C)/Katchi Ghani	2200/5025	2175/5050	+25	-
Sri Ganganagar (NC)	1850-1855	1815-1820	+35	4000-5000
Kota (NC)	1850-1880	1840-1850	+30	-

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 and oils firmed up on Monday on account of firm sentiments for oilseeds. The rates for different qualities of seeds were quoted in a range of Rs 410 to 528/20 Kg. Rates for groundnut oil at Rajkot was quoted range bound at Rs 700 per 10 Kg.

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