

OILSEED DAILY

SOYBEAN

16th June 2007

SPOT MARKETS:

As per IMD forecast, monsoon would hit parts of MP, Maharashtra by weekend. Sowing progress of soybeans is closely watched across farming community and marketing circles. Soy oil prices stood firm in Indore region. Soybean prices stood steady across plants, as most of the Mandis remained closed for Amavasya. Domestic soymeal prices continued to recover on talks of some export demand amidst domestic buying support and slews of measures taken up by Centre to compensate exporters for falling value of Indian rupee. At CBOT, Continued weather concern over Corn crop along with strength in Wheat helped soybean futures settle higher on Thursday. The NOPA crush report for May showed 143.4 million bushels crushed as compared with 142.5-146 million expected. Weekly US export sales for soybeans came in at 2.21 lakh MT as compared to trade expectations between 150,000-250,000. Meal sales were 78,300 metric tonnes from expectations at 50,000-125,000.

FUTURES MARKET: -

The most active July contract for soybeans at NCDEX traded slightly firm with good buying support at lower levels. The futures opened at Rs 1535.5 /qtl against previous closing of Rs 1535.5/qtl. Futures closed lower at Rs 1540.5/qtl, slightly above the previous days closing levels.

PRICE DRIVERS:

1. Improved domestic soymeal sentiments
2. Firm soybean futures at CBOT.
3. NAFED imported 25,000 MT palm oils.
4. Dearth of ready available beans.
5. Neutral NOPA crush report.

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 show buying support at lower levels as reflected by a long lower shadow. Prices closed above the 9/18-day EMA. Oscillators are mixed with the stochastic oscillator dipping and RSI showing signs of recovery. Volumes increased and Open Interest declined. Prices are likely to open firm and trade steady thereafter.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - July	1531	1534	1540.5	1547	1550

Trade Recommendation:

BUY NCDEX July Soybean contract above 1540 with target T1 at 1545. Put SL at 1538.

SPOT MARKET PRICES: -

Markets	Market	15.06.07	14.06.07	Change	Arrivals (Bags)
Indore	Plant	1510-1530	1520-1535	-05	10,000
Indore	Mandi	-	1455-1480	-	
Maharashtra	Plant	1610-1615	1600-1610	+05	10,000
Maharashtra	Mandi	-	1540-1545	-	
Kota	Plant	1510	1510-1520	-10	3000
Kota	Mandi	-	1450-1460	-	

MUSTARD

SPOT MARKETS:

For the weekdays, prices of seeds stood almost firm across spot markets with Alwar market reflecting major gain in prices by weekend. Tracking slightly firm global cues, the spot prices of expeller oil [Rajasthan] and mustard seeds stood firm. However, few of the markets were closed for Amavasya. Following it the daily arrivals on Friday improved to 70,000 bags marginally ahead of previous days arrivals by 5,000 bags. Rapeseed meal prices improved across domestic markets and at ports. The market still continues to track soy complex and overseas sentiments as tight supply conditions of edible oils across the globe coupled with bids to import edible oils through state trading bodies bidding is indirectly affecting sentiments for expeller oil and seeds across domestic markets.

FUTURES MARKET: -

The NCDEX Mustard seed July traded firm on Friday on good buying support at lower levels. The futures opened at Rs 427/20 Kg against previous closing levels of Rs 426.75/20 Kg. Futures closed at Rs 432.50/20 Kg well 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 as harvesting is completed and lean period for mustard seeds has started off until new seeds are sown from September onwards.

TECHNICALS: -

Candlestick shows bullishness with good buying support at lower levels. MACD is rising in positive region. RSI has recovered lately whereas Stochastic continued to dip lower. Both the Volumes and open interest increased. Prices are likely to trade on higher side.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - July	424	426	432.50	440	443

Trade Recommendation:

BUY NCDEX Mustard July contract above 432 with target T1 at 435 and T2 at 437. Put SL at 429.

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

Markets	15.06.07	14.06.07	Change	Arrivals (Bags)
Jaipur (C)	2080-2085	2075	+10	-
Alwar(C)	2020	1990	+30	3000
Delhi(C)	2100	2100	0	1500-2000
Agra(C)/Katchi Ghani	2150/4850	2150/4800	0	-
Sri Ganganagar (NC)	1810	1780-1800	+10	3000
Kota (NC)	1850-1860	1800-1840	+20	15,000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Despite bearish global cues the prices of nuts stood firm up on Friday. The rates for different qualities of seeds were quoted in a range of Rs 410 to 530/20 Kg. Rates for groundnut oil at Rajkot was quoted range bound at Rs 706 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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