

## OILSEED DAILY

19<sup>th</sup> June 2007

### SOYBEAN

#### SPOT MARKETS:

With South West monsoon advancing into parts of Madhya Maharashtra, Marthawada and Vidharba, land preparation and sowing operation of soybean has started off. Sowing of soybean was also reported from Jharkhand state. It is likely to pick up soon in Central India regions. Demand for sowing would continue to provide additional support to prices of soybean. The prices of soybean firmed up across spot markets with arrivals remaining steady at previous weekends levels. Prices of soy oil across Mumbai and Indore region stood steady at previous weekend levels. Domestic soymeal prices continued to remain firm on good buying support from poultry and dairy feed industry. Soymeal prices remained buoyant at ports on talks of some export demand amidst appreciating value of Indian rupees vis-à-vis US dollar. At CBOT, traders are unwilling to go short on account of forecast of dry weather on Monday.

#### FUTURES MARKET: -

The most active July contract for soybeans at NCDEX traded firm on good buying support. The futures opened at Rs 1559.5/qrt against previous closing of Rs 1554.5/qrt. Futures closed up at Rs 1565.5/qrt, well above 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. Soybean acreage may improve this season - USDA.

#### WEATHER:

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

#### TECHNICALS: -

Candlestick shows bullishness with slight tentativeness at higher levels. Prices closed above the 9/18-day EMA. The MACD has entered into positive region. EMA pattern is bullish. The stochastic has made a bullish crossover and RSI is heading up indicating firmness in prices. Both the Volumes and Open Interest increased. Prices are likely to open steady to slightly weak on selling pressure at higher levels.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - July	1548	1552	1565.5	1570	1575

#### Trade Recommendation:

**BUY** NCDEX July Soybean contract above 1558 with target T1 at 1565. Put SL at 1556.

#### SPOT MARKET PRICES: -

Markets	Market	18.06.07	16.06.07	Change	Arrivals (Bags)
Indore	Plant	1550	1520-1540	+10	22,000
Indore	Mandi	1475-1500	1460-1480	+20	
Maharashtra	Plant	1650	1630	+20	15,000
Maharashtra	Mandi	1580-1600	-	-	
Kota	Plant	1530-1550	1525	+25	3000
Kota	Mandi	1485-1500	1470-1480	+20	

## MUSTARD

### SPOT MARKETS:

Traders are seen taking leverage of firmness in prices of major edible oil in and across the country, which continues to underpin prices of mustard/rapeseed and expeller oil. The major share of the Rabi seasons mustard seeds harvest has been stocked with big traders and Institutions, thereby creating a virtual scarcity of seeds across spot markets. Following which the NAFED is importing edible oils to augment domestic supply of oil. No arrivals were reported from Ganganagar on heavy rains and is expected that forecast for rain over East Rajasthan would continue to hamper daily arrivals. On Monday, the daily arrivals stood at 50,000 bags, a decline of 5,000 bags over previous weekends arrivals. Prices of mustard expeller oil across Mumbai firmed up marginally whereas it stood range bound across Jaipur.

### FUTURES MARKET: -

The NCDEX Mustard seed July traded firm initially but couldn't sustain gains and settled lower. The futures opened at Rs 434.5/20 Kg against previous closing level of Rs 434.0/20 Kg. Futures closed at Rs 433/20 Kg marginally below 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 weakness in prices. MACD is rising in positive region. Stochastic has made a bullish crossover in neutral region whereas RSI has dipped indicating further weakness in prices. Both the Volumes and open interest increased. Prices are likely to open weak but would continue to find support at lower levels.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - July	424	426	433	438	440

### Trade Recommendation:

**BUY** NCDEX Mustard July contract above 430 with target T1 at 433 and T2 at 436. Put SL at 428.

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

Markets	18.06.07	16.06.07	Change	Arrivals (Bags)
Jaipur (C)	2125	2120-2125	0	-
Alwar(C)	2035-2040	2030	+10	2000
Delhi(C)	2150	2140-2145	+05	1500-2000
Agra(C)/Katchi Ghani	2225/5000	2125/4850	+100	-
Sri Ganganagar (NC)	1910-1915	1850-1860	+55	-
Kota (NC)	1950-1960	1880-1900	+60	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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