

OILSEED DAILY

21st June 2007

SOYBEAN

SPOT MARKETS:

Monsoon is likely to hit oilseed-growing regions by first half of next week. Normally sowing operation across rainfed regions extends upto first half of July. As per officials from IMD, rainfall distribution is predicted to be normal even it remains sporadic till month end and would favour Kharif output. Domestic soymeal prices settled lower today in MP on account of bearish cues from soy futures at CBOT. However prices of soymeal continued to remain firm in Maharashtra on account of dearth of readily available soybeans and good demand for the meal from South India regions. At CBOT, speculative selling led soy futures settle lower. Following which spot prices of soy oil softened across domestic markets whereas soybean prices stood steady at previous days levels. Oil World indicated that the surge higher in palm oil prices during May sparked sharply higher world exports of soyoil for the month of May.

FUTURES MARKET: -

The most active July contract for soybeans at NCDEX traded sideways with good buying support. The futures opened at Rs 1560/qttl against previous closing of Rs 1564.5/qttl. Futures closed up at Rs 1566.5/qttl, marginally 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. Good rainfall crucial for sowing progress of soybean.

WEATHER:

As per IMD, a well-marked low-pressure area over the Bay of Bengal is likely to concentrate into a depression and move in a west-northwesterly direction across north Andhra Pradesh, Vidharba, Madhya Maharashtra and Gujarat and subsequently to Maharashtra, Goa, Karnataka, south Madhya Pradesh, Gujarat and southeast Rajasthan by 26th of June.

TECHNICALS: -

Candlestick shows buying support at lower levels as indicated by relatively longer lower shadow of the candlestick. Prices remain above the 9-day and 18-day EMA's whereas the MACD has gaining in positive region, which supports medium-term bullishness. Both the Stochastic and RSI are rising towards overbought region. Both the Volumes and Open Interest declined. Prices are likely to trade lower after steady to weak opening on selling pressure at higher levels.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - July	1552	1556	1566.50	1584	1588

Trade Recommendation:

BUY NCDEX July Soybean contract above 1565.5 with target T1 at 1573 and T2 at 1578. Put SL at 1562.

SPOT MARKET PRICES: -

Markets	Market	20.06.07	19.06.07	Change	Arrivals (Bags)
Indore	Plant	1550	1540-1560	-10	15,000
Indore	Mandi	1480-1510	1480-1510	0	
Maharashtra	Plant	1650	1650	0	10,000
Maharashtra	Mandi	1590-1610	1580-1610	0	
Kota	Plant	1530-1540	1530-1540	0	3000
Kota	Mandi	1460-1490	1470-1490	0	

MUSTARD

SPOT MARKETS:

Despite bearish cues from overseas markets, mustard complex is holding firm on account of lower stocks and good demand from feed industry, vanaspati millers and processing units. The rapeseed meal improved slightly to Rs 6800 to 6850/MT. On account of heavy rains in East Rajasthan for past few days, no arrivals were reported from Ganganagar region, however on Wednesday around 300 to 400 bags had arrived. With forecast of rains over South and South East Rajasthan by end of this month, the daily arrivals from Bhilwara, Pali, Jaisalmer and Kota districts are likely to be affected and subsequently affect routine trading. The total arrivals stood at previous days levels of 60,000 bags. Prices of mustard expeller oil settled slightly lower in Jaipur but RM oil managed to stay firm. Prices of condition seeds stood firm across Delhi and Alwar elsewhere it stood range bound.

FUTURES MARKET: -

The NCDEX Mustard seed July traded bullish on good buying support. The futures opened at Rs 433.15/20 Kg against previous closing level of Rs 434.35/20 Kg. Futures closed at Rs 438.05/20 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 for mustard, as harvesting is completed. However daily arrivals are likely to be affected.

TECHNICALS: -

Candlestick shows strong bullishness in prices. EMA and MACD indicate medium term firmness. Stochastic and RSI are hovering in overbought region indicating firmness in prices with likely corrections at higher levels. Both the Volumes and open interest increased. Prices are likely to trade higher with slight weak opening.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - July	429	432	438.05	443	448

Trade Recommendation:

BUY NCDEX Mustard July contract near 437 with target T1 at 440. Put SL at 434.

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

Markets	20.06.07	19.06.07	Change	Arrivals (Bags)
Jaipur (C)	2125	2130	-5	-
Alwar(C)	2060-2070	2040	+30	2000
Delhi(C)	2150-2160	2125-2130	+30	1500-2000
Agra(C)/Katchi Ghani	2250/5025	2250/5000	0	-
Sri Ganganagar (NC)	1860	1850-1860	0	-
Kota (NC)	1900-1920	1900-1920	0	10,000

C: Conditioned

NC: Non-Conditioned

GROUNDNUT

SPOT MARKET: -

Tracking weakness in oilseeds and edible oils, the rates for different qualities of seeds softened to Rs 410 to 540/20 Kg. Rates for groundnut oil at Rajkot firmed up to Rs 714-715 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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