

OILSEED DAILY

SOYBEAN

27th June 2007

SPOT MARKETS:

Rains and reliance on imports of edible oils both have become indispensable for the farming community as well for the nation as consumption still exceeds domestic production of oilseeds and oil. Apprehension over sowing progress of rainfed soybean now seems to fade away as monsoon rains are being forecasted to reach Central India and Vidarbha regions in next 2 to 3 days. Continued weakness in palm oil at BMD prevented any upside movement in domestic soybean, soyoil and soymeal prices despite firm cues from CBOT. Soymeal prices stood almost steady on Tuesday, whereas soy oil prices softened in Indore region while holding steady across Mumbai. Amidst improved arrivals soybean prices firmed up across Maharashtra and Kota regions while holding steady across MP. The medium trend for soy complex still holds firm on global cues. Planting progress and intended acreage under soybean is still a matter of speculation amidst marketing circles.

FUTURES MARKET: -

The most active July contract for soybeans at NCDEX traded on lower side on profit booking measures. The futures opened at Rs 1555/qrtl against previous closing of Rs 1557.5/qrtl. Futures closed lower at 1547.5/qrtl, well below the previous days closing levels.

PRICE DRIVERS:

1. Steady domestic soymeal sentiments
2. Sowing demand for soybeans.
3. Firm soy futures at CBOT.
4. Weak 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 bearishness with tentativeness on both sides. Prices closed below the short term EMA's. The Stochastic and RSI have dipped further indicating prices to witness further corrections. Volumes increased and Open Interest declined. Prices are likely to trade on lower side on account of predominant selling interest.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - July	1534	1538	1547.50	1556	1560

Trade Recommendation:

SELL NCDEX July Soybean contract below 1549 with target T1 at 1545 and T2 at 1540. Put SL at 1553.

SPOT MARKET PRICES: -

Markets	Market	26.06.07	25.06.07	Change	Arrivals (Bags)
Indore	Plant	1550-1560	1550-1560	0	30,000
Indore	Mandi	1500-1530	1510-1530	0	
Maharashtra	Plant	1640	1625	+15	10,000
Maharashtra	Mandi	1580-1610	1580-1600	+10	
Kota	Plant	1540-1550	1540-1545	+5	10,000
Kota	Mandi	1510	1490-1500	+10	

MUSTARD

SPOT MARKETS:

Mustard seed prices across domestic exchanges eased down amidst mixed global cues. Prices of seeds are softening steadily on lackluster demand across spot markets. Higher open market prices of seeds have kept active buyers on the sidelines. Following it, the daily arrivals have declined to around 40,000 bags on Tuesday from previous days arrivals of 50,000 bags. Prices of mustard expeller oil stood steady at Mumbai region, however it soared up considerably across markets in Rajasthan on limited stocks of oils and steady demand. With a marked depression in Arabian Sea, the rains would hit plains of Rajasthan in a day or two, which may hamper daily arrivals and subsequently affect routine trading. Prices of edible oils in overseas markets are likely to consolidate further casting off bearish cues over domestic seed and oil sentiments.

FUTURES MARKET: -

The NCDEX Mustard seed July traded lower amidst predominant selling interest. The futures opened at Rs 441.2/20 Kg against previous closing level of Rs 441.7/20 Kg. Futures closed lower at Rs 438.3/20 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 bearishness with slight tentativeness on both sides. EMA and MACD indicate medium term firmness. Stochastic has made a bearish crossover in overbought region and moving down whereas RSI has dipped further indicating slight weakness in prices. Volumes increased and open interest declined. Prices are likely to find good buying support at lower levels.



SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - July	432	434	438.3	443	445

Trade Recommendation:

SELL NCDEX Mustard July contract near 440 with target T1 at 437 and T2 at 435. Put SL at 441.

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

Markets	26.06.07	25.06.07	Change	Arrivals (Bags)
Jaipur (C)	2150	2160-2165	-15	-
Alwar(C)	2075	2080-2085	-10	2000
Delhi(C)	-	2180	-	1500-2000
Agra(C)/Katchi Ghani	2280/5150	2325/5150	-45	-
Sri Ganganagar (NC)	1860-1870	1910	-40	2500
Kota (NC)	1900-1920	1950	-30	-

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 stood firm on Tuesday. The prices of shelled nuts ranged from Rs 410 to 556/20 Kg. Rates for groundnut oil at Rajkot firmed up to Rs 754 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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