

## OILSEED DAILY

### SOYBEAN

14<sup>th</sup> June 2007

#### SPOT MARKETS:

Tracking bearish cues from BMD and CBOT, soybean prices settled lower across spot markets. Prices of soy oil stood range bound in Mumbai and hiked marginally in Indore spot markets. However soymeal managed to stay immune to global cues on account of talks of good domestic demand from South India regions. The port delivery rates for soymeal stood firm on Wednesday. At CBOT, forecast for rains during next week amidst fear of overbought technical conditions helped soy futures settle lower. However a recovery in Corn and overnight firmness in palm oil at BMD helped limit the losses. With increasing food prices across Asian countries and good demand for food grains in US, traders fear that corrections in prices of soybean and soy oil may bring down the premiums of exporting grains to Asian countries simultaneously declining oceanic freight rates.

#### FUTURES MARKET: -

The most active July contract for soybeans at NCDEX traded weak at the back of weak soy futures at CBOT. The futures opened at Rs 1540 /qtl against previous closing of Rs 1545 /qtl. Futures closed lower at Rs 1532/qtl, well below the previous days closing levels.

#### PRICE DRIVERS:

1. Improved domestic soymeal sentiments
2. Weak edible oil futures at CBOT and BMD
3. NAFED imported 25,000 MT palm oils.
4. Dearth of ready available beans.
5. Neutral WASDE 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 predominant selling pressure. Prices closed below the 9/18-day EMA. Stochastic and RSI indicate short-term weakness. Both the Volumes and Open Interest declined. Prices are likely to open lower and trade steady thereafter unless prices break out above or below its immediate support or resistance levels.



#### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - July	1510	1515	1532	1540	1545

#### Trade Recommendation:

**SELL** NCDEX July Soybean contract below 1535 with target T1 at 1527 and T2 at 1521. Put SL at 1540.

#### SPOT MARKET PRICES: -

Markets	Market	13.06.07	12.06.07	Change	Arrivals (Bags)
Indore	Plant	1520-1530	1520-1535	-5	20,000
Indore	Mandi	1440-1480	1460-1480	0	
Maharashtra	Plant	1590-1600	1600	0	12,000-15,000
Maharashtra	Mandi	1510-1525	1540	-15	
Kota	Plant	1510	1510-1520	-10	3000
Kota	Mandi	1440-1450	1450-1460	-10	

## MUSTARD

Amidst steady arrival pressure, prices of Condition and Non-Condition seeds have softened gradually across the spot markets by midweek. Mustard seed settled lower across Delhi, Bikaner and Sirsa exchanges. Moving in tandem with soy complex, the spot market prices of mustard seeds and expeller oil softened on Wednesday on tracking bearish global cues. Following it the daily arrivals declined to 60,000 bags from previous days arrivals of 70,000 bags. Amidst fears of sharp corrections in edible oils traded across BMD and CBOT and with NAFED intending to import soy oil from South America in order to augment domestic supplies of edible oils, domestic expeller oil is likely to be under pressure in near term.

### FUTURES MARKET: -

The NCDEX Mustard seed July traded bearish on Wednesday on predominant selling pressure. The futures opened at Rs 428.8/20 Kg against previous closing levels of Rs 429.6/20 Kg. Futures closed at Rs 424.40/20 Kg well below the previous closing levels.

### PRICE DRIVERS:

1. Steady 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: -

Prices closed below the EMA's with trend line breakout. MACD pattern indicate slight decline in bullishness. RSI and Stochastic continued to dip lower indicating weakness in prices. Both the Volumes and open interest increased. Prices are likely to trade lower amidst selling pressure at higher levels.



### SUPPORT / RESISTANCE:

Contract	S2	S1	PCP	R1	R2
NCDEX - July	411	415	424.40	430	434

### Trade Recommendation:

**SELL** NCDEX Mustard July contract below 425 with target T1 at 422 and T2 at 418. Put SL at 428.

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

Markets	13.06.07	12.06.07	Change	Arrivals (Bags)
Jaipur (C)	2070	2080	-10	-
Alwar(C)	1980	2010	-30	4000
Delhi(C)	2100	2110-2115	-15	3500
Agra(C)/Katchi Ghani	2175/5000	2175/5000	0	-
Sri Ganganagar (NC)	1815	1810-1815	0	5000
Kota (NC)	1840-1860	1860-1870	-10	15,000

C: Conditioned

NC: Non-Conditioned

## GROUNDNUT

### SPOT MARKET: -

Despite bearish global cues the prices of nuts stood firm up on Wednesday. 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 703 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.

### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.