

OILSEED

22nd June 2005

- Rapeseed Market Firm on Uncertain Monsoon and Declining Arrivals

DOMESTIC MARKET COMMENTARY

Soybean:

The domestic market opened firm at the futures and traded sharply positive due to news of increasing uncertainty in the monsoon arrival and rising support from the international markets.

Majority of the traders are still interested in keeping their positions open as the bullishness is still prevailing in the market continues in the market following various contradicting statements regarding the progress of the monsoon in India.

The domestic future market trading started on a firm note and remained range bound for the day.

The Hazir market today also remained weak marginally and remained range bound.

The price of soybean in Kota market was quoted at Rs. 1340 per quintal. In Madhya Pradesh it was between Rs. 1460, in Karnataka it was Rs. 1315 and in Maharashtra it was between Rs. 1310.

However, the market is expected to remain firm for the coming days amidst expected increased support from the US markets and growing uncertainty in the monsoon.

Rapeseed/Mustard:

A rapeseed market showed mixed sentiments amidst rising buying support at major mustard exchanges.

NAFED has offered the purchased mustard seeds to be sold in the open market in Kota and adjoining markets at the rate of Rs. 1550-1600 per quintal. Few traders / mill owners showed some interest at these rates.

The uncertain monsoon in the country is also responsible for the prevailing rising trend in the prices, but as soon as the rain arrives, the market is expected to make a significant downward movement.

Today, the rape oil found increased support from the buyers at major exchanges as well as in the spot markets. In the spot markets the prices jumped significantly amidst growing uncertainty in the amount and timing of monsoon.

Overall, it is expected that the rape oil will continue trading range bound on higher side for the coming days and there will be support from the soybean oil market.

Status of Price & Supply of the New Crop

Markets	Prices	Arrivals (Bags)
Jaipur	1730	90,000
Alwar	1660	1500
Delhi	1765	1500
Agra	1810	4080
Sri Ganganagar	1520-25	500
Kota	1520-55	2500

Groundnut

Groundnut slide down at various centres due to low local demand but it is getting support from the growing uncertainty in the monsoon.

The latest seeding report suggest that the area under groundnut farming was 81000 hectare as on June 13th against 119000 hectares on the same day last year.

The range-bound trade in groundnut oil prices in the domestic markets is likely to continue for the coming days.

Vayda Quotes

Mustard futures as on 22nd June 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	5-Aug	340.60	341.60	342.70	341.00	0.2	340.80
Hapur	5-Aug	360.35	362.00	362.80	360.70	0.45	360.80
Bikaner	5-Aug	335.00	335.00	335.00	335.00	0	335.00
Hisar	5-Aug	339.10	339.80	340.80	339.80	0.6	339.70

CBOT

Soybean futures on the Chicago Board of Trade ended modestly lower on Tuesday, after a volatile two-sided trading as the market made some corrections after Monday's price surge. Soy product futures ended lower, following the same two-sided movement of soybeans.

July soybeans ended 3 3/4 cents lower at \$7.35 1/4 a bushel, November soybeans ended 4 1/2 cents lower at \$7.53, July soy meal settled \$0.80 lower at \$231.60 a short ton, and July soy oil ended 14 points lower at 25.44 cents a pound. July oil share ended at 35.45%, and the July crush finished at 54 cents.

The continued uncertain weather forecasts for the 2005 crop kept a mixed tone in the market, with profit-taking pressure and speculative buying creating a mixed trend in the market. The market settled lower after it reached an overbought condition and the most active November futures had a nine-day Relative Strength Index of 85.41. Weather continued to be the driver of the market, with fears of heat and dryness in the eastern corn belt cutting down yields.

CBOT Soy oil futures as 21 June 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul'05	25.58	25.40	25.75	25.32	-0.14	25.44
Aug'05	25.68	25.43	25.84	25.40	-0.12	25.56
Sep'05	25.77	25.55	25.92	25.48	-0.09	25.68

CBOT remains closed on Saturday and Sunday.

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX July Contract

Rapeseed July contract opened firm and traded range bound marginally on lower side during day's session of trade today. The market is expected to move range bound on the limited support.

Stochastic Oscillators: The %D-line moving up in the neutral region indicating marginal firmness in the prices. The % K-line also looking up in the neutral region indicating the slight firm sentiments in the prices.

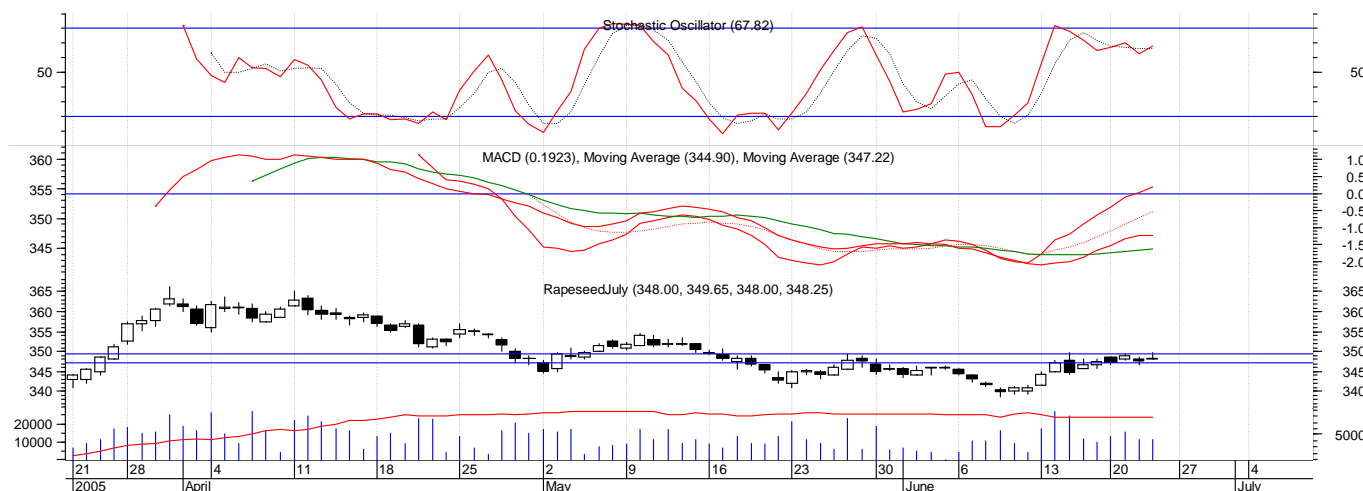
Currently the MACD is **bullish** since it is trading above its signal line. The MACD crossed above its signal line 7 period(s) ago. Since the MACD crossed its moving average, Rapeseed July's price has **increased 0.27%**, and has ranged from a high of 349.700 to a low of 344.500. The 7-Day MA is moving up above the 14-Day MA is yet not confirming the weak trend in the market for the medium-term.

Market advice:

Trade is expected to open steady and trade range bound marginally on the lower side for Wednesday. Trade cautiously with an eye on support and resistance level given below. Can go short for short-term or trade with intra-day outlook.

Advisable trade limits:

Support at 346.70 and Resistance 349.60



COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX July Contract

Soybean seeds July contract opened on higher side and traded range bound during today's session of trade. A *long upper shadow* occurred. This is typically a bearish signal.

Stochastic Oscillators: The %K line looking down in the overbought region indicating the losing strength in the domestic prices. The % D-line also started looking down hinting to the downward movement in the price. The market is expected to open steady and trade range bound on the lower side.

Currently the MACD is **bullish** since it is trading above its signal line. The MACD crossed above its signal line 5

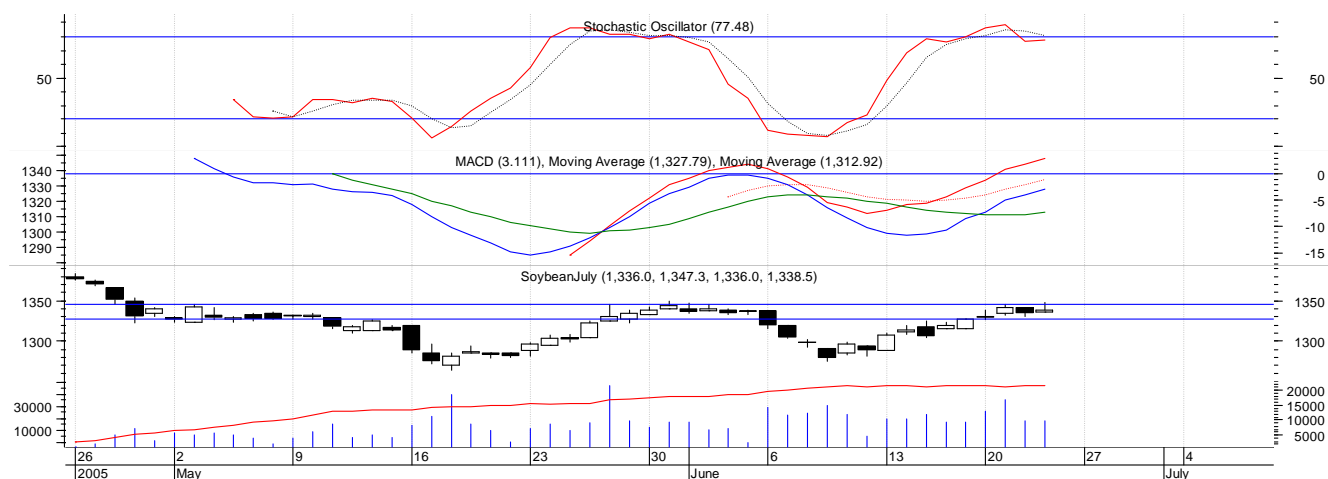
period(s) ago. Since the MACD crossed its moving average, Soybean July's price has **increased 1.49%**, and has ranged from a high of 1,347.350 to a low of 1,315.350. **7-Day MA** moving up crossing the 14-Day MA from below making a bullish crossover, not confirming weakness in the soybean market.

Market advice:

Market is expected to open steady and trade range bound marginally on lower side for Thursday. Trade cautiously with an eye on support and resistance levels given below.

Advisable trade limits:

Support at 1327.00 and Resistance at 1345.00



*Latest Procurement details of NAFED (24.05.05)

Commodity	State	Amount (mt)
Mustard/ Rapeseed	Rajasthan	1334715
	Uttar Pradesh	36280
	Gujarat	188255
	Madhya Pradesh	137509
	Chattisgarh	2159
	Punjab & Haryana	233540
	Delhi	8978
	Punjab	5338
	Total	1946774
Safflower	Maharashtra	19187
	Karnataka	4757
	Andhra Pradesh	4376
	Total	28320
Sunflower	Karnataka	28

Forex Rates (As on 22.06.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.50
Malaysia	Ringgit	11.47
European Union	Euro	53.01
United Kingdom	GBP	79.58
Japan	100 Yen	40.11

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