

OILSEED

18th June 2005

- Rapeseed Market Continued Higher on Uncertain Monsoon and Declining Arrivals

DOMESTIC MARKET COMMENTARY

Soybean:

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

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

The domestic future market trading started on a steady note but improved gradually as the day progressed

The Hazir market today also improved marginally amidst lack of support from the uncertainty in the monsoon.

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. 1310-1320 and in Maharashtra it was between Rs. 1290-1300.

Overall the market is expected to continue on the higher side for Monday amidst continuous increased support from the international as well as retail markets.

Rapeseed/Mustard:

A rapeseed market continued to rise amidst significant gains in the soyoil market and 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.

Today the new crop arrival reached 1.00 lakh bags in Rajasthan and about 0.40 lakh bags in Madhya Pradesh.

Overall, it is expected that the rapeseed will continue trading range bound on higher side for Monday amidst increased support from the soybean oil market.

Status of Price & Supply of the New Crop

Markets	Prices	Arrivals (Lakh Bags)
Jaipur	1720	-
Alwar	1670	0.020
Delhi	1745	0.007
Agra	1790	-
Sri Ganganagar	1550	0.025
Kota	1520	0.040

Groundnut:

Groundnut continued on the higher side at various centres amidst support of the increasing local demand and 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 rising sentiment in the other edible oils is also causing upward movement in the groundnut oil prices.

The range-bound positive trade in groundnut oil prices in the domestic markets is likely to continue Monday amidst of increased demand.

The rate of the Export Quality (80-90 Count) groundnut is Rs. 2590 per quintal, the bold (60-70 Count) is Rs. 2790 per quintal, the 50-60 count seed is Rs. 2735 and for 40-50 count the rate is Rs. 2305 in Mumbai market. In Gujarat the price varied from Rs. 1500, in Tamil Nadu it was between Rs. 1390 in Rajasthan it was between Rs. 1400, in Karnataka it was between Rs. 1510 and in Andhra Pradesh it was Rs. 1420.

Vayda Quotes

Mustard futures as on 18th June 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	5-Aug	338.40	339.40	340.20	338.80	+0.50	338.90
Hapur	5-Aug	358.20	359.50	360.30	358.50	+0.60	358.80
Bikaner	5-Jun	330.00	330.00	330.00	330.00	0.00	330.00
Bikaner	5-Aug	335.00	335.00	335.00	335.00	0.00	335.00
Hisar	5-Aug	336.90	337.80	337.80	337.10	+0.50	337.40

CBOT

CBOT Soy Complex Sharply Up On Hot & Dry Weather Outlook For Coming Week

A hot and dry outlook into late next week in the overnight weather models attracted new buying from funds and speculators and drove the market higher into the mid-session.

Speculative fund buying was a dominant force in the market's rise, with the combination of weather risks, lower acreage, the potential spread of Asian rust and aphids in the Midwest providing a bullish theme to keep traders adding premium to prices.

Weather forecasts showing only limited chances for light showers in key growing areas of the Midwest with warming temperatures over the next week, kick started the gains.

On top of the weather, traders are concerned that Asia rust, soybean aphids and reduced planted acreage could lower the soybean production outlook.

Informa Economics pegged soybean planted acreage at 72.9 million acres as compared with the last USDA forecast at 73.9 million acres and this news added to the bullish weather emphasis to support.

Some weather traders see increasing chances of rain for later next week while heat forecast vary. Open

In soybean pit trades, ADM Investor Services bought 300 November, Cargill bought 300 November, ABN Amro bought 500 July, Calyon Financial bought 1,500 November, Cargill Investor services bought 1,500 November, Man Financial bought 1,000 November, RJ O'Brien bought 700 November and Refco bought 1,200 November. On the sell side, ADM Investor Services sold 400 November, Cargill sold 700 November, Cargill Investor Services sold 500 November, RJ O'Brien sold 400 November, and Rand Financial sold 500 July. Commodity fund buying was estimated at 8,000 contracts.

Traders are expected to keep a close eye on the Commitment-of-Traders report this afternoon and price volatility is expected to remain high on Monday evening with the weather forecast the key.

CBOT Soybean futures as on 17 June 2005 Cents/bushels)

Months	Previous Settle	Open	High	Low	Change	Close
Jul'05	700.6	698.6	726.6	698.6	+23.4	724.0
Aug'05	706.2	703.2	731.4	703.2	+21.2	727.4

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX July Contract

Rapeseed July contract opened on a on the positive note and continued on the higher side during day's session. The market is expected to move up for another couple of days before declining.

Three white candles occurred in the last three days. Although these candles were not big enough to create *three white soldiers*, the steady upward pattern is bullish.

Stochastic Oscillators: The %D-line continued up in the neutral region indicating stability in the prices. The % K-line also moved higher in the neutral region supporting the rising sentiments in the prices.

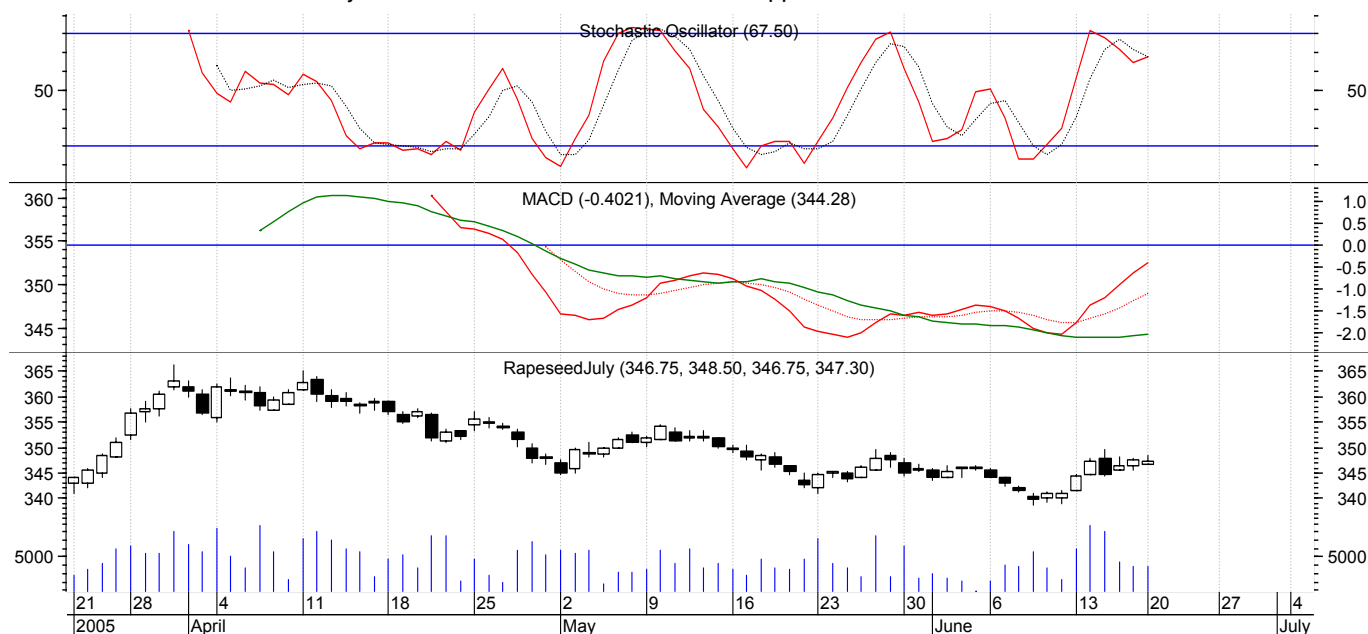
Currently the MACD is bullish since it is trading above its signal line. The MACD crossed above its signal line 4 period(s) ago. Since the MACD crossed its moving average, Rapeseed July's price has been unchanged, and has ranged from a high of 349.700 to a low of 344.500. The 7-Day MA turned up indicating the changing sentiment and has made a bullish crossover of the 14-Day MA is hinting to the growing strength in the market.

Market advice:

Trade is expected to open steady and trade range bound on the higher side for Monday. Trade cautiously with an eye on support and resistance level given below. Avoid new entry or trade with intra-day outlook.

Advisable trade limits:

Support at 346.40 and Resistance 349.60



COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX July Contract

Soybean seeds July contract opened marginally high and continued further on the higher side with range bound movements during today's session of trade.

Stochastic Oscillators: The %K line continued up entering the overbought region indicating the steady increase in the domestic prices. The % D-line also moved up entering in the overbought region hinting to the rising strength in the price trends. The market is expected to open firm and continue range bound on the higher side.

Currently the **MACD** is bullish since it is trading above its signal line. The MACD crossed above its signal line 2 period(s) ago. Since the MACD crossed its moving

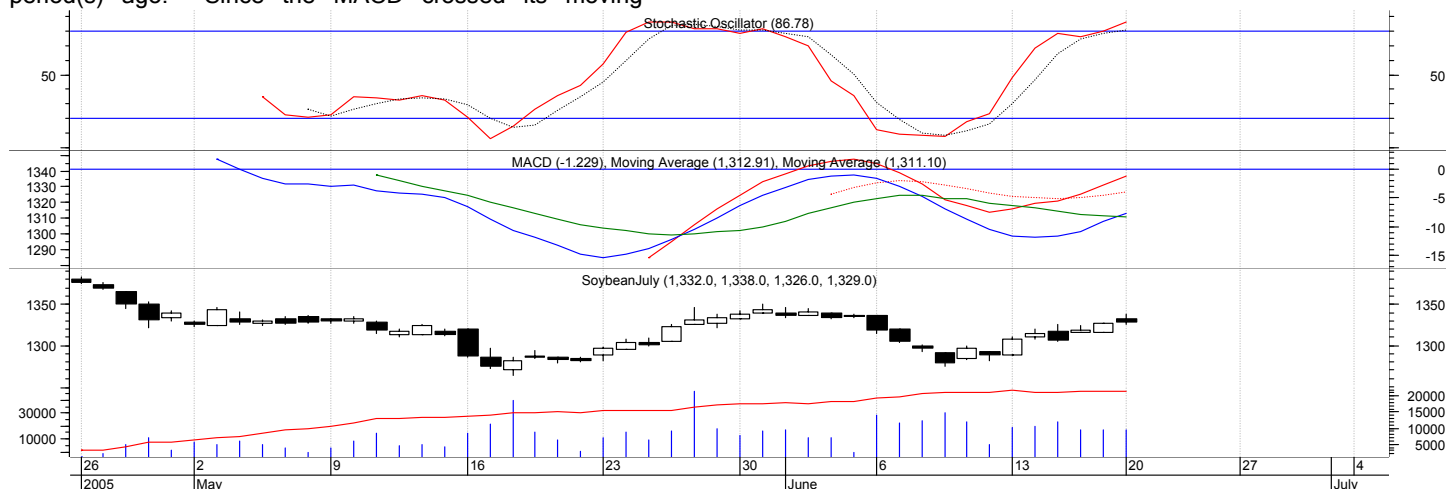
average, Soybean July's price has increased 0.77%, and has ranged from a high of 1,338.00 to a low of 1,315.35. 7-Day MA also continued down along with the 14-Day MA (with declining slope) making a bearish crossover, supporting the weakness in the soybean market.

Market advice:

Market is expected to open firm and high for Monday amidst increased uncertainty in the monsoon and declining seeds rate for the new crop. Trade cautiously with an eye on support and resistance levels given below.

Advisable trade limits:

Support at 1322.00 and Resistance at 1335.00



*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 18.06.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.59
Malaysia	Ringgit	11.48
European Union	Euro	52.75
United Kingdom	GBP	79.36
Japan	100 Yen	39.99

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