

OILSEED

8th June 2005

- Rapeseed Market Continued Marginally on Uncertain Government Policy

*Latest Procurement details of NAFED (24.05.05)

Soybean:

The domestic market continued in the lower regions following the increased selling in the market amidst falling retail demand and growing unsteadiness in the international markets.

The US market is expected to continue trading unsteady in the lower regions, following the growing weakness in the US CBOT soy oil trade amidst uncertain weather conditions and declining the export demand from the global market.

The domestic future market trading started on a lower note and continued on the lower side for the day amidst declining support from the retail demand. The Hazir market today continued range bound on the lower side amidst lack of support from the consistently declining retail demand.

Overall the market demand situation for the soybean continues to be weak and is expected to continue range bound on the lower side for Wednesday amidst uncertain support from the weather predictions.

Rapeseed/Mustard:

A weak trend of the market continued today amidst growing uncertainty in the edible oil market.

NAFED is expected to bring the purchases Mustard seed in the market from the next week before the proper onset of the monsoon triggered weakness in the market.

Today, the rape oil found no support from the buyers at major exchanges. The increased selling weakened the sentiments giving way to the continuing unsteadiness in the market.

Today the new crop arrival reached 1.00 lakh bags in Rajasthan and about 0.25 lakh bags in Madhya Pradesh.

Overall, it is expected that the rape oil will continue trading range bound on lower side for Thursday due lack of retail demand.

Status of Price & Supply of the New Crop

Markets	Prices	Arrivals (Lakh Bags)
Jaipur	1650	-
Alwar	1590	0.03
Delhi	1720	0.015
Agra	1750	-
Sri Ganganagar	1520-1525	0.05
Kota	1450-1455	0.15

Groundnut:

Groundnut oil continued with the price decline in the major centres. Lower buying support was the main concern at major markets amidst declining retail demand.

The onset the monsoon in the Kerala region with less than expected vigour has increased the uncertainty in demand for edible oils and this remains as one of the major factors, which is putting continuous pressure on the groundnut oil prices.

The growing uncertainty in the demand of the other edible oils is also causing decline in the groundnut oil prices.

The range-bound lower trade in groundnut oil prices in the domestic markets is likely to continue on Thursday in absence of fresh buying support.

The rate of the Export Quality (80-90 Count) groundnut is Rs. 2550 per quintal, the bold (60-70 Count) is Rs. 2700 per quintal, the 50-60 count seed is Rs. 2650 and for 40-50 count the rate is Rs. 2290 in Mumbai market. In Gujarat the price varied from Rs. 1430, in Tamil Nadu it was between Rs. 1300 in Rajasthan it was between Rs. 1330, in Karnataka it was between Rs. 1460 and in Andhra Pradesh it was Rs. 1325.

Vayda Quotes

Mustard futures as on 08 June 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	5-Aug	334.80	334.25	334.80	333.90	-0.10	334.70
Hapur	5-Aug	354.45	353.80	354.80	353.70	-0.20	354.25
Bikaner	5-Jun	335.00	335.00	335.00	335.00	0.00	335.00
Bikaner	5-Aug	339.00	339.00	339.00	339.00	0.00	339.00
Hisar	5-Aug	333.90	333.40	334.40	333.30	0.20	334.10

CBOT

CBOT Soy Complex Declined Marginally on Increased Fund Selling and Improving Weather

A lack of follow-through buying after the strong opening triggered some light long liquidation selling from speculators and some additional commercial selling helped trigger the quick break to near unchanged on the day.

Lack of aggressive action on either side contributed to the choppy trade into the close. Storms are expected to bring some relief to the Illinois region later this week but amounts and coverage vary significantly.

The trend has been for the market to anticipate a good rain event moving across the Midwest but the amounts and coverage drop off significantly as the storms move into Illinois.

Traders have been concerned for some time now about dry conditions in central Illinois and northern Indiana, and forecasts call for chances of showers there this week and into the weekend.

More rains are headed for the western belt, which will likely further hurt emergence in Minnesota and South Dakota.

The first weekly crop conditions report of the year crops were rated 62% in good to excellent condition as compared with expectations near 62% and 65% last year. Illinois topsoil moisture is rated 29% very short and 45% short with only 26% of the state ranked with adequate topsoil condition. Uncertainty for the weather outlook is keeping the trade choppy.

For the Supply/demand report on Friday morning, traders are looking for ending stocks for the 2004/2005 season to be revised lower by about 25 million bushels from 330 million last month and for a slight revision lower for the new crop season from 290 million bushels last month.

In trades, UBS sold 1,000 July beans, CIS sold 500 July, Citigroup and Rand Financial each sold 300 July and Refco sold 300 November. D.T. Trading bought 500 July and Man Financial bought 400 July.

The market is expected to be range bound on the lower side amidst expectation of continuing good and favourable crop weather in next few days.

CBOT Soybean futures as on 07 June 2005 Cents/bushels)

Months	Previous Settle	Open	High	Low	Change	Close
Jul'05	677.6	685.0	685.0	674.4	-3.0	674.6
Aug'05	680.2	686.0	686.0	677.4	-2.6	677.6

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX June Contract

Rapeseed June contract opened on a on the lower side and continued range bound on the lower side for the day. The market is expected to continue with its weakness in the coming days as the retail buyers' support is declining continuously.

Stochastic Oscillators: The %D-line moved marginally lower entering the oversold region indicating increasing weakness in the prices. The % D-line also moved lower in the neutral region supporting the weak trend in the prices.

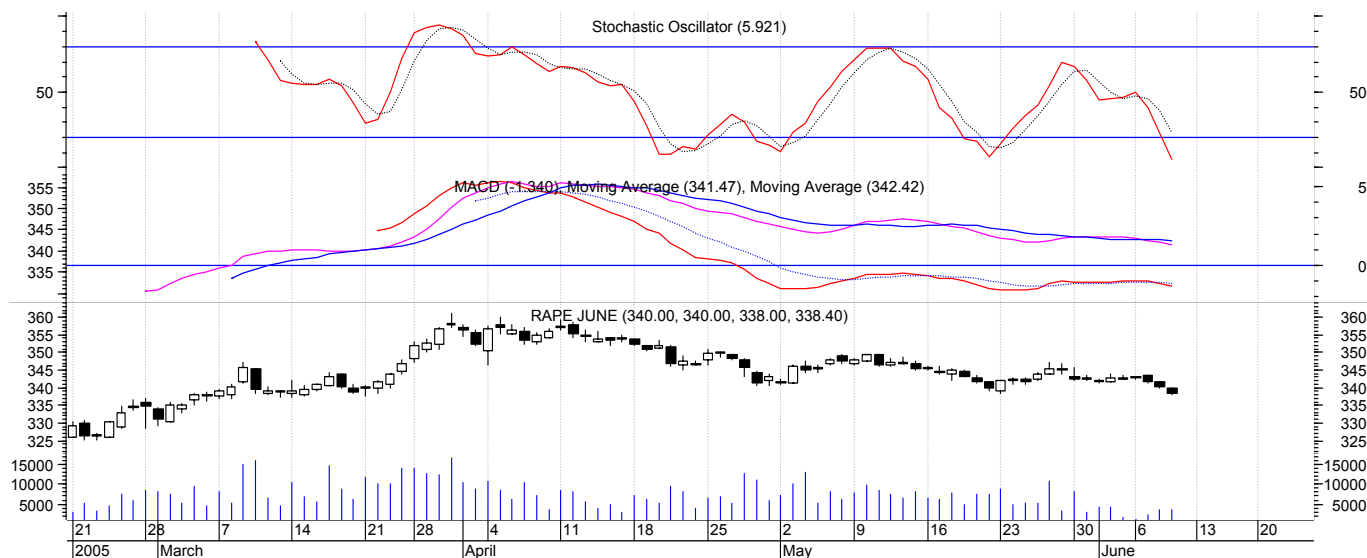
MACD continued downward in the negative region indicating the declining strength in the prices. The **7-Day MA** continued down after making a bearish crossover of the **14-Day MA** hinting to the growing weakness in the market.

Market advice:

Trade is expected to open steady but trade marginally on the lower side for Thursday. Trade cautiously with an eye on support and resistance level given below. Sell with very short-term outlook.

Advisable trade limits:

Support at 336.90 and Resistance 340.40



COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX June Contract

Soybean seeds June contract opened on the lower side and traded significantly lower for the day amidst declining demand at the domestic end and the indecisive international markets.

Stochastic Oscillators: The %K line continued down entering the oversold region indicating the growing weakness in the domestic prices. The % D-line also moved down in the neutral region hinting to the declining strength of the prices. The market is expected to open and continue on the lower side.

MACD continued down in the negative region, after intersected the **EMA** from below indicating the loosing strength in the prices. **7-Day MA** also moved down along

with the **14-Day MA** (with declining slope) supporting the weakness in the soybean market.

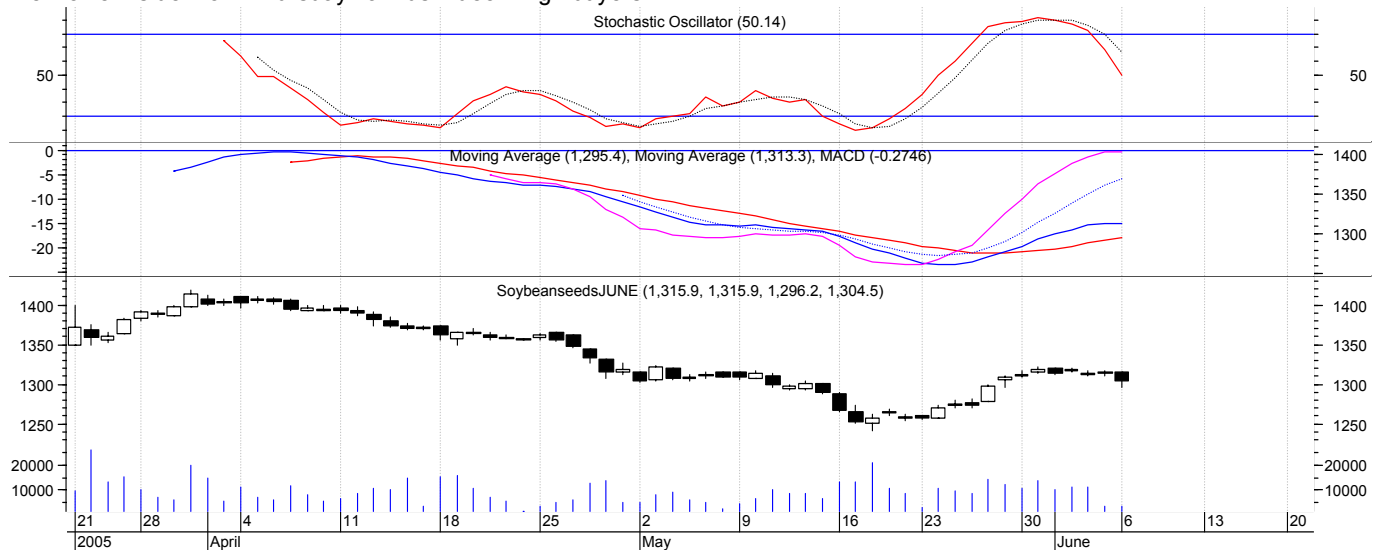
Market advice:

Market is expected to open weak and trade range bound on the lower side for Thursday amidst declining buyers

support. Trade cautiously with an eye on support and resistance levels given below.

Advisable trade limits:

Support at 1267.00 and Resistance at 1287.00



*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 08.06.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.53
Malaysia	Ringgit	11.47
European Union	Euro	53.62
United Kingdom	GBP	79.89
Japan	100 Yen	40.73

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