



TRADE Research Report

OILSEEDS

MARKET TRENDS, HIGHLIGHTS AND RECOMMENDATIONS

Periodicity: DAILY

Date: 01 June 2005

Rapeseed Market Traded on Lower Side Amidst Declining Retail Support

***Latest Procurement details of NAFED (24.05.05)**

Soybean:

- The movement in the domestic market was quite sharp amidst declining buyer's support.
- The US market is expected to trade on the lower side amidst declining support from the weather and the export demand in the global market.
- The domestic future market trading started on a weak note, continued on the lower side for the day amidst declining support from the retail demand. The NBOT exchange showed unsteady movement in the prices and finally closed at a very low level of 373.50 (Down by Rs. 3.00).
- Overall the market demand situation for the soybean continues to be highly volatile and is expected to continue range bound for Wednesday amidst uncertain directions from the US soybean market and declining support from the Malaysian palm oil market.
- The price of soybean in Kota market was quoted at Rs. 1260-1270 per quintal. In Madhya Pradesh it was between Rs. 1450, in Karnataka it was Rs. 1270-1275 and in Maharashtra it was between Rs. 1250.

Rapeseed/Mustard:

- The rape market today traded on the negative side amidst lack of increased support from the domestic end by the traders.
- The falling demand in the spot markets is still causing the widespread uncertainty in the markets and is leading to the decline in the prices for the spot markets.
- The increasing arrivals in the both Rajasthan and Madhya Pradesh spot markets is expected to bring down the prices marginally in the coming days.
- Today's trade was greatly dominated by the increased selling in the market ushered by the increasing uncertainty in the soybean market at some exchanges.
- The arrival of the old and new stock rapeseed in the market in Rajasthan and Madhya Pradesh market is witnessing a continuous decline. Today the new crop reached 1.20 lakh bags in Rajasthan and about 0.40 lakh bags in Madhya Pradesh.

- Overall the market is expected to trade range bound on the range bound side for Wednesday and again move in next couple of days, as the long-term sentiment in the market is still bearish.

Status of Price & Supply of the new Crop

Markets	Prices	Arrivals (Lakh Bags)
Jaipur	1680	-
Alwar	1620	0.03
Delhi	1720	0.015
Agra	1740	-
Sri Ganganagar	1525-1525	0.05
Kota	1450-1480	0.15

Groundnut:

- The trading in the groundnut oil market continued on the lower side amidst declining support from the retail demand.
- The domestic traders are not expecting any major change in the demand in the coming days owing to the approach of the summer season, which appreciably reduces the oil consumption by most of the consumers leading to the declining demand.
- The rate of the Export Quality (80-90 Count) groundnut is Rs. 2550 per quintal, the bold (60-70 Count) is Rs. 2640 per quintal, the 50-60 count seed is Rs. 2615 and for 40-50 count the rate is Rs. 2280 in Mumbai market. In Gujarat the price varied from Rs. 1440, in Tamil Nadu it was between Rs. 1350 in Rajasthan it was between Rs. 1340, in Karnataka it was between Rs. 1470 and in Andhra Pradesh it was Rs. 1340.

Vayda Quotes

Mustard futures as on 01 June 2005

(Rs/20kg)

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	5-Aug	338.10	337.10	337.10	335.80	-2.80	335.30
Hapur	5-Aug	357.30	356.50	357.70	354.00	-2.70	354.60
Bikaner	5-Jun	332.00	332.50	332.50	332.00	+0.50	332.50
Hisar	5-Aug	337.70	337.10	338.10	335.50	-2.00	335.70

CBOT

CBOT Soy Complex Ended Mixed On Uncertain Rainfall Predictions

- Declining rainfall totals over the weekend in Illinois and Indiana supported the early surge higher but the market was unable to hold all the gains into the close because of the forward weather look, which is predicting of the good rains ahead.
- Traders are of the opinion that the crop is already showing symptoms of some moisture stress in some areas and after scattered chances of rain over the eastern cornbelt in the coming weekend (June 4th-June 5th), traders are keenly trading on weather predictions.
- The short-term overbought condition of the market and a surge higher in the US Dollar are factors are also limiting the additional gains.
- The weekly export inspections report, soybean exports were 9.99 million bushels as compared with trade expectations near 6-10 million. Cumulative exports have reached 98.2% of the USDA forecast for the season as compared with 88.2% on average for this time of the year.
- The market is expected to be range bound with slight lower movement amidst declining support from the global export demand and the prevailing uncertainty in the Malaysian market.

CBOT Soybean futures as on 31 May 2005

(Cents/bushels)

Months	Previous Settle	Open	High	Low	Change	Close
Jul '05	676.0	671.0	673.2	665.6	-8.4	667.6
Aug '05	676.6	671.4	673.0	666.0	-7.6	669.0

CBOT remains closed on **Saturday** and **Sunday**.

Technical Analysis

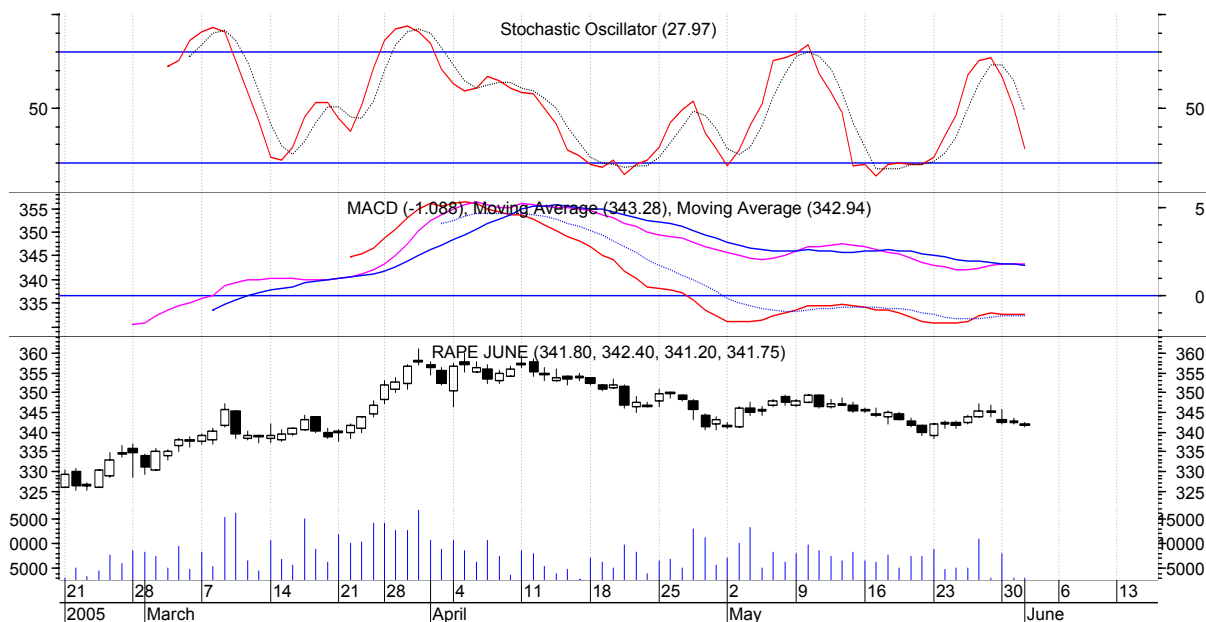
Date: 01 June 2005

Commodity: Mustard Seed

Perspective: Very Short Term

NCDEX June Contract

Rapeseed June contract opened on a on the higher side and continued range bound on the higher side for most the day. The market is expected to embark on the downtrend in the coming days as the retail demand is declining continuously.



Stochastic Oscillators: The %D-line continued lower in the neutral region indicating rising diminishing in the prices. The % K-line also moved downward in the neutral region indicating the declining strength in the prices.

MACD continued downward in the negative region indicating the declining strength in the prices. The **7-Day MA** also moved up irrespective of the **14-Day MA**, making a bullish crossover of the **14-Day MA**, hinting to the indecisive sentiment 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 339.80 and **Resistance** 343.30

Technical Analysis

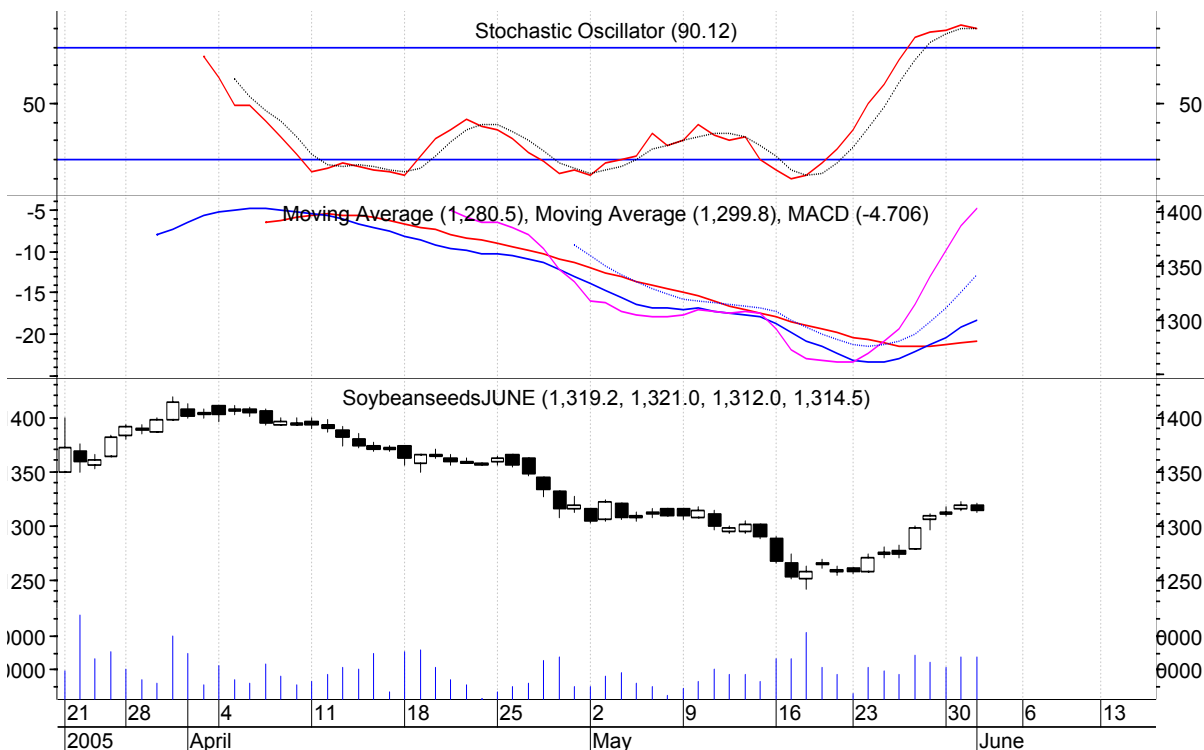
Date: 01 June 2005

Commodity: Soybean Seed

Perspective: Very Short Term

NCDEX June Contract

Soybean seeds June contract opened on a higher side but traded low for the day amidst uncertain demand at the domestic end and the indecisive international markets.



Stochastic Oscillators: The %K line dipped marginally in over bought region indicating the declining grip in the domestic prices. The % D-line also moved marginally down in the oversold region hinting to the loosing strength of the prices. The market is expected to open on the range bound side but the downward movement cannot be denied.

MACD continued up in the negative region after intersected the **EMA** from below indicating the rising strength in the prices. **7-Day MA** also moved up along with the **14-Day MA** supporting the rising strength in the soybean market.

Market advice:

Market is expected to open steady but trade range bound on the lower side for Thursday amidst uncertain demand from the retail end. Trade cautiously with an eye on support and resistance levels given below.

Advisable trade limits:

Support at 1297.00 and Resistance at 1323.00

***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 01.06.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.72
Malaysia	Ringgit	11.48
European Union	Euro	53.93
United Kingdom	GBP	79.61
Japan	100 Yen	40.37

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