



TRADE Research Report

OILSEEDS

MARKET TRENDS, HIGHLIGHTS AND RECOMMENDATIONS

Periodicity: DAILY

Date: 02 June 2005

Rapeseed Market Witnessed Slight Recovery today

***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 high level of 373.20 (UP by Rs. 2.40).
- The Hazir market today traded range bound on the lower side amidst lack of support from the increased uncertainty in the arrival of the monsoon in the country and consistently retail demand.
- Overall the market demand situation for the soybean continues to be highly volatile and is expected to continue range bound on the lower side for Friday amidst lack of positive support from Malaysian and US markets.
- The price of soybean in Kota market was quoted at Rs. 1270-1280 per quintal. In Madhya Pradesh it was between Rs. 1455, in Karnataka it was Rs. 1270-1275 and in Maharashtra it was between Rs. 1250.

Rapeseed/Mustard:

- The slightly positive tone of the market that is prevailing for the past few days continued today also.
- Lack of demand is still continuing to pressurize the spot market prices.
- Adding more to the weakness in the prices the arrival in the major producing states of Rajasthan and MP still remains significant.
- Today however, the rape oil found some support from the soy oil. The selling activities weakened somewhat. This provided marginal support to the rapeseed prices.
- 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 0.48 lakh bags in Madhya Pradesh.

- Overall, it is expected that the rape oil may recover marginally on Friday due renewed buying. However, the trend is likely to remain weak.

Status of Price & Supply of the new Crop

Markets	Prices	Arrivals (Lakh Bags)
Jaipur	1680	-
Alwar	1620	0.03
Delhi	1720	0.014
Agra	1740	-
Sri Ganganagar	1525-1525	0.04
Kota	1450-1480	0.14

Groundnut:

- Groundnut maintained the weakness in the major centers. Lower buying support put weight on the groundnut oil prices.
- Summer season generally reduces demand for edible oils and this remains as one of the major factors, which is putting continuous pressure on the groundnut oil prices also.
- The range-bound nature of the groundnut prices in the domestic markets is likely to continue tomorrow also in absence of fresh buying support.
- The rate of the Export Quality (80-90 Count) groundnut is Rs. 2560 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. 1450, 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 02 June 2005

(Rs/20kg)

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	5-Aug	335.30	335.75	337.50	335.70	+1.80	337.10
Hapur	5-Aug	354.60	354.75	357.40	354.75	+2.15	356.75
Bikaner	5-Jun	332.00	332.50	333.00	332.00	+1.00	333.00
Hisar	5-Aug	335.70	337.10	338.10	335.50	0.00	335.70

CBOT

CBOT Soy Complex Improved Uncertain Weather Conditions and Scattered Rains

- The USDA rust-monitoring web site indicated that soybean rust has spread to two counties in Georgia and likely spread to other areas of the state.
- Weather jitters amid concerns that weekend rains won't be sufficient to offset the moisture deficiencies in the eastern Midwest coupled with soybean rust concerns sparked upside momentum that was accelerated by technical buying.
- Weather uncertainties continue to provide a bullish theme for speculative funds to grab hold of, with the ability of the July and November contracts to eclipse resistance at Tuesday's highs providing a supportive technical picture.
- The crop was 81% planted as compared with 71% as the 5-year average.
- Taiwan bought 60,000 tonnes of soybeans from Brazil overnight and South Korea bought 150,000 tonnes of US soybeans. Strong technical action in meal and dryness concerns helped drive the market into new contract highs for new crop soybeans and meal late in the session.
- In trades, ADM Investor Services bought 3,000 July, Fimat bought 800 July, RJ O'Brien bought 1,000 July, Rand Financial bought 400 July, Refco bought 800 July and DT Trading bought 300 July. On the sell side, ABN Amro, Citigroup, Fimat, Goldenberg Hehmeyer, RJ O'Brien and Refco were each sellers of 200 July, Cargill Investor Services sold 500 July, and Kottke sold 600 July. Commodity funds were estimated buyers of 5,000 contracts.
- The market is expected to be range bound amidst uncertain support from the global export demand and the strengthening value of US Dollar.

CBOT Soybean futures as on 01 June 2005

(Cents/bushels)

Months	Previous Settle	Open	High	Low	Change	Close
Jul '05	680.2	676.6	687.4	674.2	+5.0	685.2
Aug '05	681.4	678.2	688.0	676.0	+5.2	686.6

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

Technical Analysis

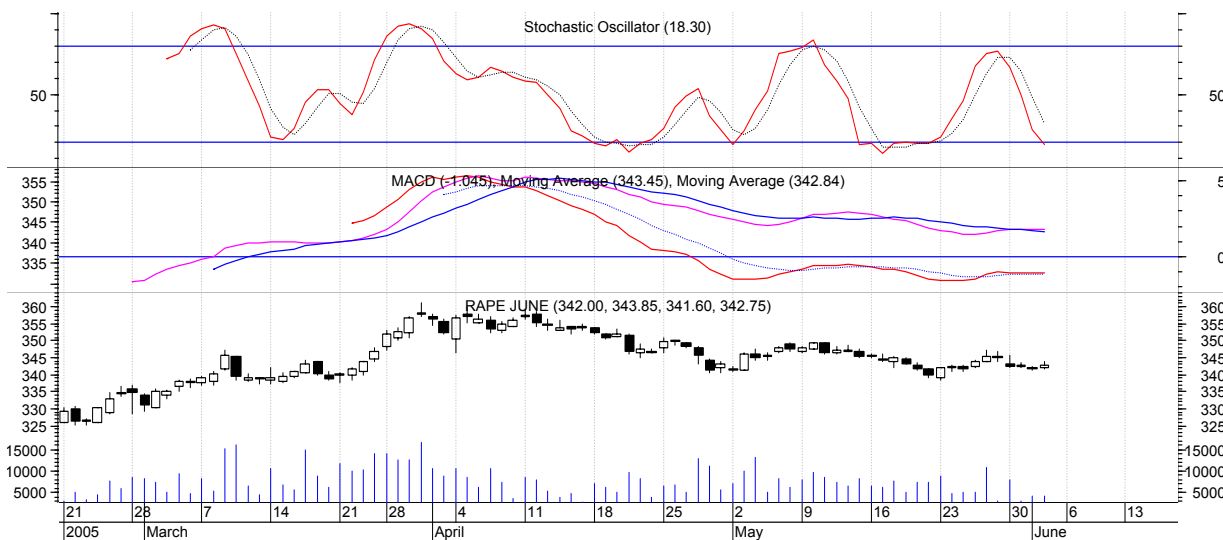
Date: 02 June 2005

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 diminishing trend 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 to 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 up but trade marginally range bound for Friday. Trade cautiously with an eye on support and resistance level given below. buy with very short-term outlook.

Advisable trade limits:

Support at 342.00 and **Resistance** 344.40

Technical Analysis

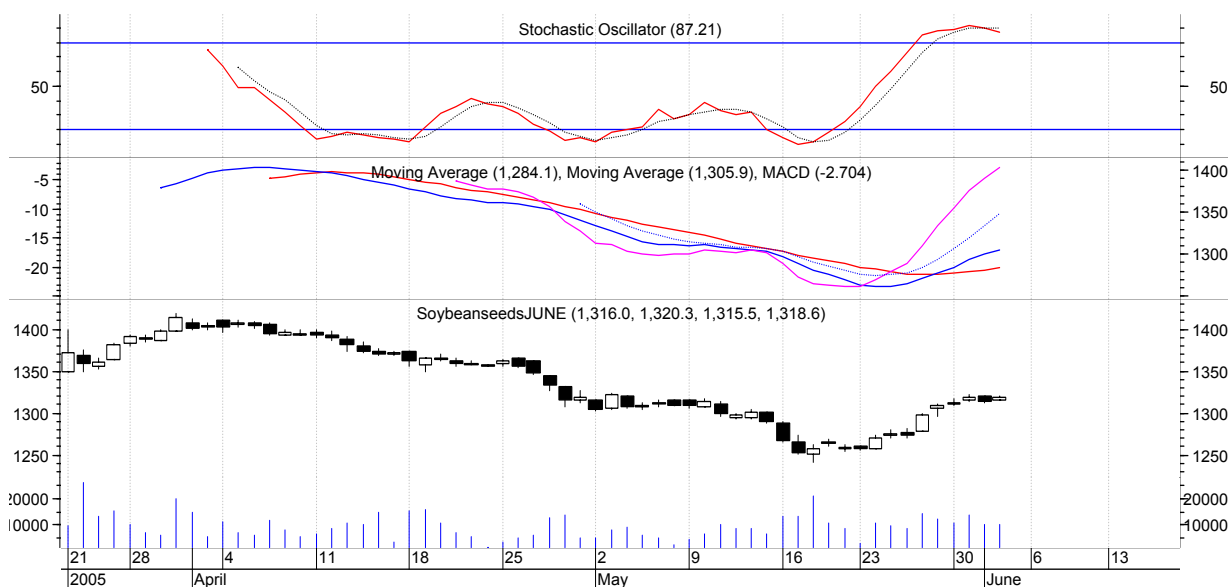
Date: 02 June 2005

Commodity: Soybean Seed

Perspective: Very Short Term

NCDEX June Contract

Soybean seeds June contract opened on a higher side but traded range bound 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 up but trade range bound for Friday amidst uncertain demand from the retail end. Trade cautiously with an eye on support and resistance levels given below.

Advisable trade limits:

Support at 1314.00 and Resistance at 1324.00

***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 02.06.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.76
Malaysia	Ringgit	11.53
European Union	Euro	53.50
United Kingdom	GBP	79.35
Japan	100 Yen	40.37

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