

## OILSEED

9<sup>th</sup> June 2005

### • Rapeseed Market Continued Lower on Uncertain Retail Demand

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

##### Soybean:

The domestic market continued sharply 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 US market is also expecting the fall in the end stock of the soybean complex in the US markets. The traders are also of the view that since the USDA had not gone for the proper survey for the production estimates or for the planting details, as reported by the South American market sources, the estimate is expected to be calculated at the prior average yield of 39.9 bushels per acre. Which is expected to present a dubious picture of the overall estimates of the US soybeans. Thus the market is not expected to respond sharply to the estimated of the USDA to be released tomorrow evening.

The Hazir market today continued range bound on the lower side amidst lack of support from the consistently declining retail demand.

Overall the market is expected to continue range bound on the lower side for Friday amidst continuous declining support from the retail market.

##### Rapeseed/Mustard:

A weak trend of the market continued amidst growing uncertainty in the edible oil 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 0.80 lakh bags in Rajasthan and about 0.20 lakh bags in Madhya Pradesh.

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

#### Status of Price & Supply of the New Crop

Markets	Prices	Arrivals (Lakh Bags)
Jaipur	1665	-
Alwar	1600	0.02
Delhi	1710	0.03
Agra	1740	-
Sri Ganganagar	1500	0.01
Kota	1450-1455	0.05

##### Groundnut:

Groundnut oil continued with the price decline in the major centres.

The continuing 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 continuously 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 the lower side on Friday 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 09 June 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	5-Aug	334.70	334.10	334.10	331.60	-2.90	331.80
Hapur	5-Aug	354.25	353.80	354.80	350.10	-3.45	350.80
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	334.10	333.50	333.50	331.20	-2.20	331.90

### CBOT

#### CBOT Soy Complex Continued Lower on Ameliorating Weather and Uncertain Exports

Some rain in the forecast for the eastern cornbelt for Thursday and Friday and ideas hat the market is overbought going into the Supply/demand report for Friday helped trigger follow-through selling from the weak technical action of the previous two days.

The chance for rain in dry areas of the eastern Midwest, with a storm system holding together as it moves eastward

across Iowa and Missouri, was enough to entice speculative longs into liquidating some market length.

Weather remains the leading driver in the market, and with heavy speculative longs in the market after adding risk premium amid dryness across the eastern belt, futures remain sensitive to improved crop conditions.

A Reuters poll of traders came in with an average trade estimate for the 2004/2005 ending stocks at 330 million bushels (range 303-345), down 25 million bushels from last months forecast of 355 million bushels.

News from the USDA that conditions are ripe for Asia rust to spread into Alabama and South Carolina helped provide some underlying support.

For the weekly export sales report, released before the opening, traders are looking for soybean sales near 225,000-350,000 tonnes as compared with 208,500 tonnes last week.

Meal sales are thought to be near 50,000-100,000 tonnes with oil sales expected near 2,000-7,000 tonnes.

In soybean trades, Bunge Chicago bought 300 July, ABN Amro bought 500 July, Citigroup and Man Financial each bought 400 July, Rand Financial bought 500 July, Refco bought 200 July and 500 November, and DT Trading bought 300 July. On the sell side, ABN Amro sold 300 July, Calyon Financial sold 700 July, Cargill Investor Services sold 400 July, Man Financial sold 500 July, and Refco sold 200 July and 300 November.

The market is expected to continue on the lower side amidst expectation of continuing good and favourable crop weather.

#### 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 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 oversold region supporting the weak trend in the prices.

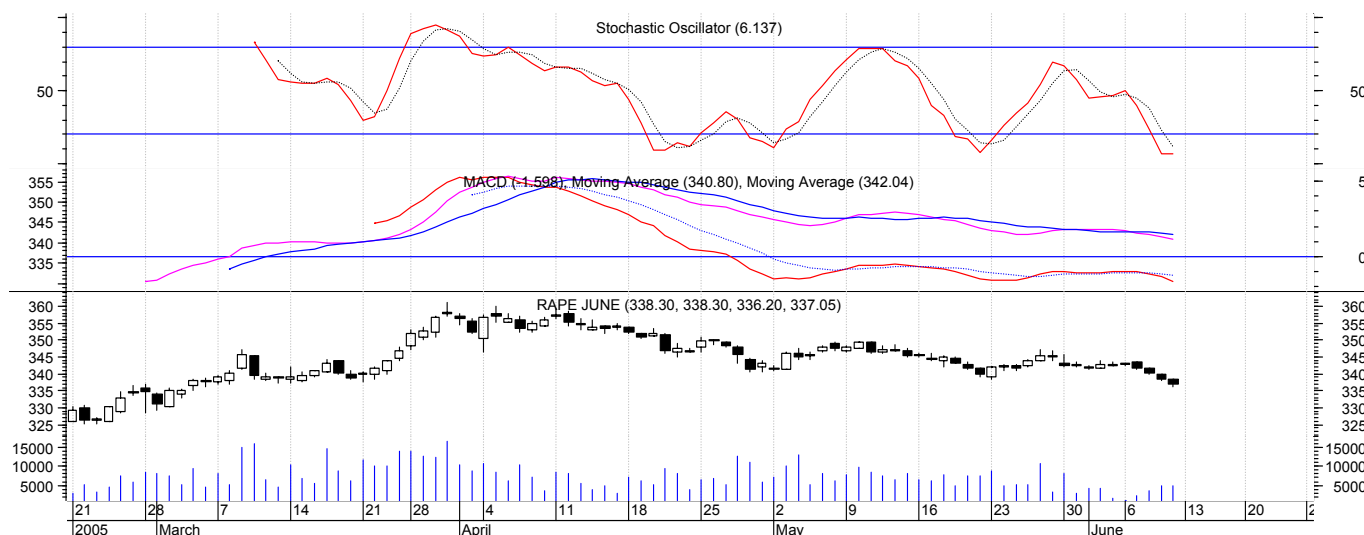
**MACD** continued downward in the negative region indicating the declining strength in the prices. The **7-Day MA** continued down after making a bearish crossover of the **14-Day MA** hinting to the growing weakness in the market.

#### Market advice:

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

#### Advisable trade limits:

Support at 334.90 and Resistance 338.00



#### COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

#### NCDEX June Contract

**Soybean seeds June contract** opened on the lower side and traded further lower for the day amidst declining demand at the domestic end and the weak 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 entering the oversold region hinting to the declining strength of the prices. The market is expected to open and continue on the lower side, but a short-term recovery cannot be denied in couple of days.

**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) making a bearish crossover, supporting the weakness in the soybean market.

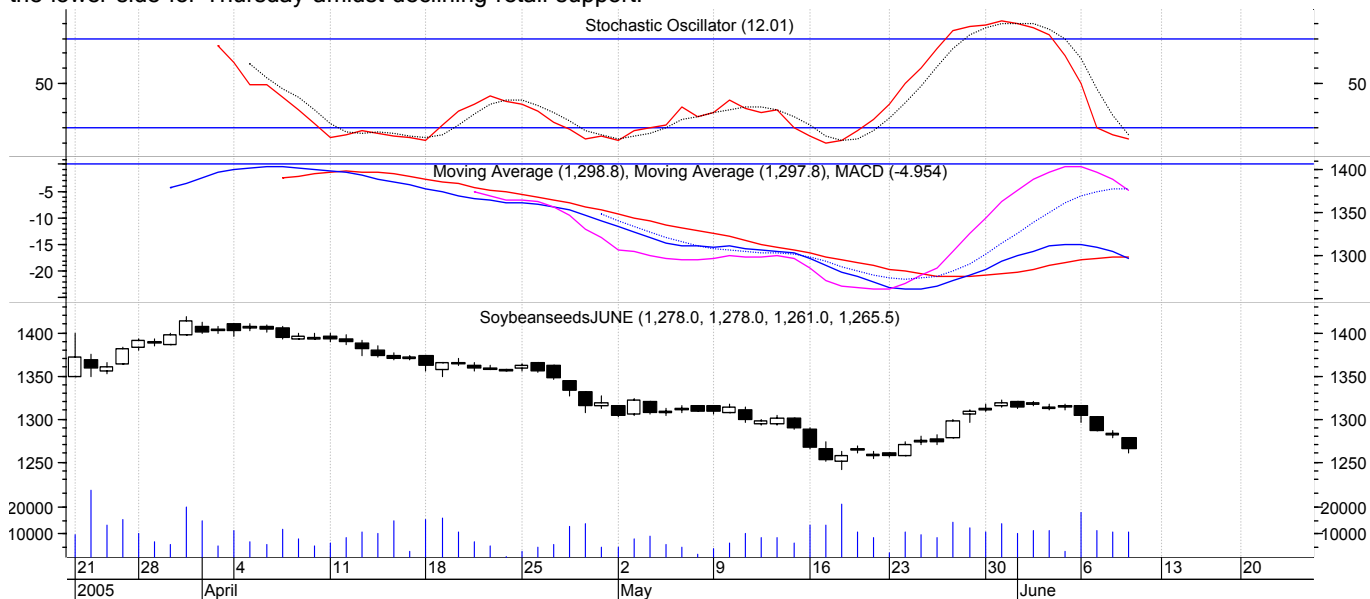
Trade cautiously with an eye on support and resistance levels given below.

#### Market advice:

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

#### Advisable trade limits:

Support at 1252.00 and Resistance at 1271.00



#### \*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	43.55
Malaysia	Ringgit	11.45
European Union	Euro	53.22
United Kingdom	GBP	79.49
Japan	100 Yen	40.59

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