

OILSEED

11th June 2005

• Rapeseed Market Continued Lower Amidst Continuing Uncertainty in Demand

*Latest Procurement details of NAFED (24.05.05)

Soybean:

The domestic market declined significantly after the day of mild technical correction amidst growing uncertainty in the international markets and the bearish USDA monthly crop progress report.

The uncertainty with the time and amount of rainfall during the current monsoon is causing anxiety in the traders and on these reasons the market is expected to go bullish by the mid of the coming week.

The domestic future market trading started on a lower note and continued on further 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.

The price of soybean in Kota market was quoted at Rs. 1230.-1240 per quintal. In Madhya Pradesh it was between Rs. 1400, in Karnataka it was Rs. 1230-1240 and in Maharashtra it was between Rs. 1230.

Overall the market is expected to continue range bound on the lower side for Monday amidst continuous declining support from the retail market and bearish sentiments prevailing in the international markets.

Rapeseed/Mustard:

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

The activity of NAFED is not yet clear. Earlier there was expectation that it may come up with the excess purchase in the market and sell it at the market rate of 1500-1500 per quintal, well below the purchasing rate of 1700 per quintal. But its indecisiveness is causing great anxiety in the domestic market, forcing the market to move range bound.

Today, the rape oil found no major 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 0.75-0.80 lakh bags in Rajasthan and about 0.25 lakh bags in Madhya Pradesh.

Overall, it is expected that the rapeseed will continue trading range bound on lower side for Monday 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	0.01
Agra	1740	-
Sri Ganganagar	1500	0.01
Kota	1430-1460	0.05

Groundnut:

Groundnut improved marginally at various centres amidst support from the growing uncertainty in the retail markets of southern and western India.

The continuously decline in the demand of the other edible oils is causing uneven movement in the groundnut oil prices.

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

The rate of the Export Quality (80-90 Count) groundnut is Rs. 2560 per quintal, the bold (60-70 Count) is Rs. 2720 per quintal, the 50-60 count seed is Rs. 2670 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. 1300 in Rajasthan it was between Rs. 1340, in Karnataka it was between Rs. 1470 and in Andhra Pradesh it was Rs. 1345.

Vayda Quotes

Mustard futures as on 11 June 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	5-Aug	332.60	332.00	332.50	331.40	-0.20	332.40
Hapur	5-Aug	350.50	349.50	350.75	349.00	0.40	350.90
Bikaner	5-Jun	335.00	335.00	335.00	335.00	0.00	335.00
Bikaner	5-Aug	339.00	330.00	330.00	330.00	-9.00	330.00
Hisar	5-Aug	331.00	330.00	331.10	329.70	0.20	331.20

CBOT Soy Complex Futures Down on Bearish Monthly Crop Progress Report

Speculative selling was a featured attraction, with traders looking to sell the initial strength in the market amid ideas supportive usage data from the U.S. Department of

Agriculture's supply and demand report was previously factored into prices.

Cooler temperatures and less rain in the forecast for the western cornbelt into next week along with expectations for good moisture over the weekend in drier areas of the eastern cornbelt and heavy rains for Indiana and Ohio early next week (tropical storm rains) helped to trigger a sell-off into the mid-session.

The USDA pegged US ending stocks for the 2004/2005 season at 320 million bushels as compared with trade expectations near 330 million (range 303-345) as export and crush demand was revised higher.

For the 2005/2006 season, the USDA pegged ending stocks at 255 million bushels as compared with the average trade estimate at 285 million bushels (range 260-344).

World ending stocks for the 2004/2005 season were revised lower to 47.16 million tonnes from 51.08 million tonnes last month.

For the new crop season, world-ending stocks are pegged at 51.99 million tonnes with Brazil production expected to recover to 62 million tonnes from 53 million tonnes this year.

US soyoil ending stocks were revised higher to 1.536 billion pounds as compared with 1.266 billion last month as exports were revised lower and production higher which helped pressure the oil market into the mid-session.

Fears that the tropical storm in the gulf will drive Asia rust spores into the southern Midwest added to the positive tone early.

In soybean pit trades, Bunge Chicago bought 200 July, FCStone bought 200 November, Fimat bought 500 July, Refco bought 500 November and UBS Securities bought 500 July. On the sell side, ADM Investor Services sold 500 November, Cargill Investor Services sold 1,500 July and 500 November, RJ O'Brien sold 500 July, Refco sold 400 July, RJ O'Brien sold 500 July, Rand Financial sold 1,000

July and 300 November. Commodity funds were estimated sellers of 7,000 contracts.

The market is expected to trade lower as the market traders are looking for concrete moves from the importing countries.

CBOT Soybean futures as on 10 June 2005 Cents/bushels)

Months	Previous Settle	Open	High	Low	Change	Close
Jul'05	673.2	678.0	678.4	666.0	-7.0	666.2
Aug'05	676.2	680.4	681.4	669.0	-6.8	669.4

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX June Contract

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

Stochastic Oscillators: The %D-line moved marginally up in the oversold region indicating stability in the prices. The % K-line also moved marginally higher in the oversold region supporting the partial improvement in the prices.

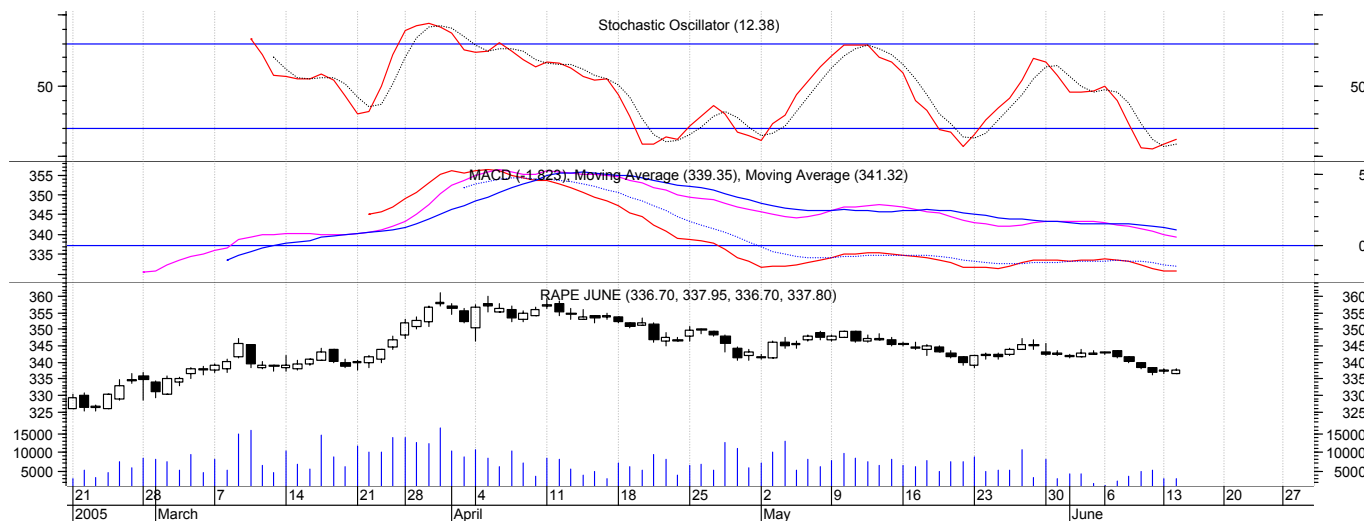
MACD continued downward in the negative region indicating the declining strength in the prices. The **7-Day MA** also continued down along with the **14-Day MA** hinting to the existing weakness in the market.

Market advice:

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

Advisable trade limits:

Support at 335.40 and Resistance 338.30



COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX June Contract

Soybean seeds June contract opened on the negative note and traded further lower for the day amidst declining

demand at the domestic end and the weak international markets.

Stochastic Oscillators: The %K line moved up entering the oversold region indicating the steadiness in the domestic prices. The % D-line continued down entering the oversold region hinting to the declining strength of the prices. The market is expected to open steady and continue range

bound on the lower side but a positive recovery cannot be denied in couple of days.

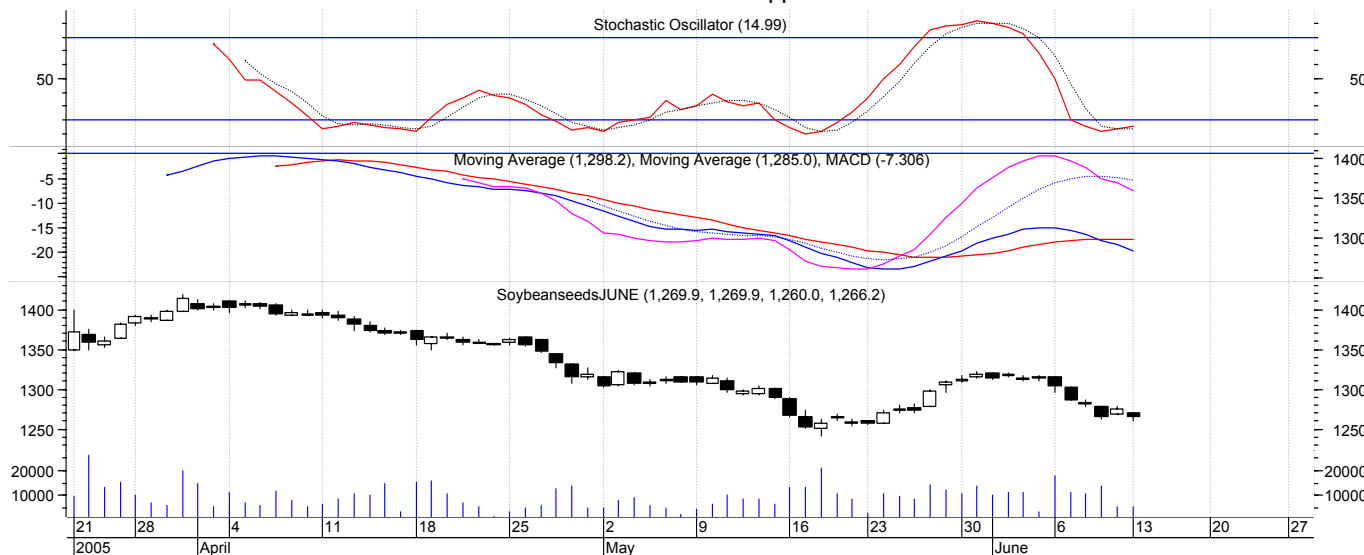
MACD continued down in the negative region, after intersected the **EMA** from below indicating the loosing strength in the prices. **7-Day MA** also continued down along with the **14-Day MA** (with declining slope) making a bearish crossover, supporting the weakness in the soybean market.

Market advice:

Market is expected to open steady and trade range bound on the lower side for Monday amidst declining retail support. Trade cautiously with an eye on support and resistance levels given below.

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 11.06.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.59
Malaysia	Ringgit	11.47
European Union	Euro	52.84
United Kingdom	GBP	79.00
Japan	100 Yen	40.15

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