

OILSEED

29th June 2005

- **Rapeseed Market Improved on Active Buyers Support**

DOMESTIC MARKET COMMENTARY

Soybean:

The domestic market opened on a very steady note amidst indecisive sentiments at the Indore NBOT futures.

The domestic future market trading started on a positive note but traded range bound for the whole day amidst declining support from the retail end demand and improving monsoon. The international market is also supporting the up trend in the market for short run, but the monsoon is dominating over the international indicators keeping the market range bound. The NCDEX (July Contract) exchange closed at Rs. 1290.50 (Down by Rs. 5.25).

The Hazir market today also declined marginally and owing to the plummeting sentiments at the futures.

The price of soybean in Kota market was quoted at Rs. 1250 per quintal. In Madhya Pradesh it was Rs. 1440-1460, in Karnataka it was Rs. 1250 and in Maharashtra it was between Rs. 1250.

The market is expected to continue trading lower for Thursday amidst smooth monsoon progress.

Rapeseed/Mustard:

A rapeseed market continued marginally on the higher side amidst increased support from the buyers. The support came in the markets as the sentiments in other edible oils recovered after a steep fall.

As expected earlier the progress of monsoon has adequately pulled down the market sentiments but the prices are expected to move partially higher within a small range henceforth.

Today, the rape oil found increased support from the buyers at major exchanges at the start of the trade and it picked its pace as the retail demand improved. In the spot markets the prices continued on the higher side amidst uncertain support from the other edible oil markets.

Overall, it is expected that the rapeseed will continue trading range bound on higher side for the rest of the week as the retail demand is expected to increase marginally as crushing demand is picking up.

Status of Price & Supply of the New Crop

Markets	Prices	Arrivals (Bags)
Jaipur	1720-1725	-
Alwar	1670	500
Delhi	1750	300-400
Agra	1800	-
Sri Ganganagar	1550	500
Kota	1525-1540	2500

Groundnut

Groundnut today declined marginally at various centres due to unsteady and low local demand and indecisive sentiments in the other edible oil markets.

The latest seeding report suggests that the area under groundnut farming was 1.94 lakh hectare as on week ending June 20th against 4.83 lakh hectares on the same day last year.

The range-bound trade in groundnut oil prices is expected to trade range bound in the coming days amidst unsteady retail demand and smoothly advancing monsoon.

The rate of the Export Quality (80-90 Count) groundnut is Rs. 2595 per quintal, the bold (60-70 Count) is Rs. 2850 per quintal, the 50-60 count seed is Rs. 2800 and for 40-50 count the rate is Rs. 2285 in Mumbai market. In Gujarat the price varied from Rs. 1480, in Tamil Nadu it was between Rs. 1340-1360 in Rajasthan it was between Rs. 1350-1370, in Karnataka it was between Rs. 1470-1480 and in Andhra Pradesh it was Rs. 1390.

Vayda Quotes

Mustard futures as on 29th June 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	5-Aug	340.30	339.75	343.20	339.75	2.40	342.70
Hapur	5-Aug	359.80	359.25	363.30	359.25	3.00	362.80
Bikaner	5-Aug	337.00	337.20	337.20	337.20	0.20	337.20
Hisar	5-Aug	339.20	338.80	342.00	338.80	2.00	341.20

CBOT

CBOT Soy Dipped Sharply on Increased Fund Selling and Improving Crop Weather

Speculative selling linked partly to rain over the weekend and the potential for more this week pressured prices. Rain was expected to improve conditions for both soybeans and corn through much of the western Midwest, particularly in Indiana and Ohio. Meteorologists said the best chance for rain in Illinois, a key soybean producer, would be about midweek, although the state might not receive significant amounts.

The outlook for a few days of cooler weather in the Midwest and increased chances of scattered rains across the

eastern cornbelt was enough to trigger the lower opening and follow-through technical selling (thought to be long liquidation) emerged to pressure futures into the mid-session.

The weekly crop progress report showed crops rated in good-to-excellent condition fell to 59% from 63% last week and 62% as the 15-year average for this time of the year. Poor to very poor readings jumped to 11% from 8% as the 15-year average for this time of the year. Traders were expecting a 2-5% decline.

For the week ending June 26th, Illinois crops were rated 33% in good to excellent condition, which was down from 46% last week and 52% the previous week.

In the USDA Planted Acreage report, released on Thursday before the opening, traders are looking for soybean planted acreage to come in near 73.1 million acres (range 72.5-73.52) as compared with the March estimate at 73.9 million acres.

For the Grain Stocks report, traders look for June 1st soybean stocks near 715 million bushels (range 675-750) as compared with 411 million last year.

In CBOT pit trades, Cargill Investor Services bought 700 November, and Goldenberg Hehmeyer bought 2,000 November. On the sell side, UBS Securities, Refco, Goldenberg Hehmeyer each sold 2,000 November, Cargill Investor Services and RJ O'Brien each sold 1,500 November, Fimat sold 1,000 November, and Man Financial sold 500 November. Commodity funds were estimated sellers of 12,000 contracts.

Trade is expected to be on the positive side amidst growing uncertainty in the weather conditions.

CBOT Soy oil futures as 27 June 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul'05	744.4	750.0	750.0	694.4	-50.0	694.4
Aug'05	748.2	755.0	755.0	698.2	-50.0	698.2

CBOT remains closed on Saturday and Sunday.

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX July Contract

Rapeseed July contract opened higher and continued on higher side during day's session. The market is expected to move range bound in the positive side amidst expected support from the other edible oils.

Stochastic Oscillators: The %D-line continued up in the neutral region hinting to rising strength in the prices in the prices. The % K-line turned up in the neutral region indicating the growing support in the prices.

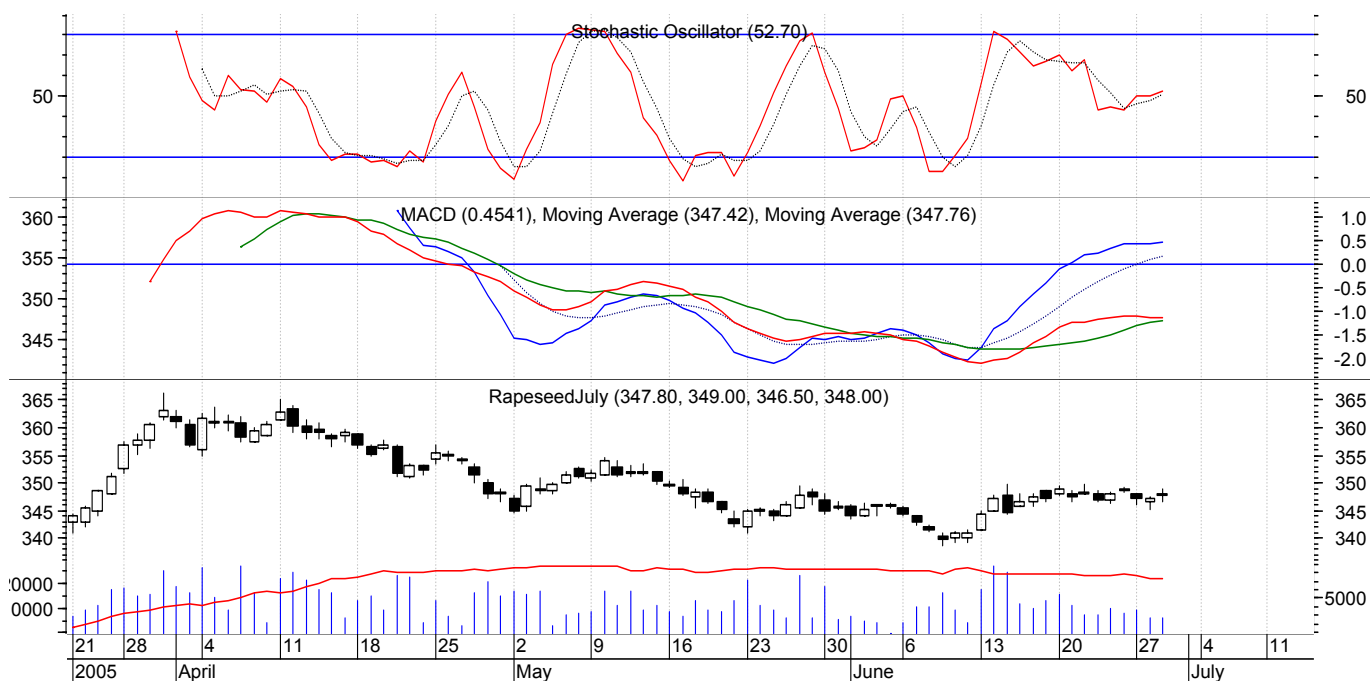
Currently the MACD is bullish since it is trading above its signal line. The MACD crossed above its signal line 13 period(s) ago. Since the MACD crossed its moving average, Rapeseed July's price has increased 0.20, and has ranged from a high of 349.70 to a low of 344.50. The 7-Day MA continued moving up above the 14-Day MA but hinting to the improving sentiment in the market, whereas the 14-Day MA continued higher supporting the existing strength in the market.

Market advice:

Trade is expected to open steady and trade range bound on the higher side for Thursday. Trade cautiously with an eye on support and resistance level given below. Can go short for short-term and trade with intra-day outlook.

Advisable trade limits:

Support at 346.40 and Resistance 349.80



COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX July Contract

Soybean seed July contract opened on the lower side and continued lower for the day following the positive development in the monsoon rains and increased panic selling at the futures.

Stochastic Oscillators: The %K line improved marginally in the oversold region indicating the loosing strength in the domestic prices. The % D-line on the other hand continued lower hinting to the declining sentiments in the market.

Currently the MACD is bearish since it is trading below its signal line. The MACD crossed below its signal line 1

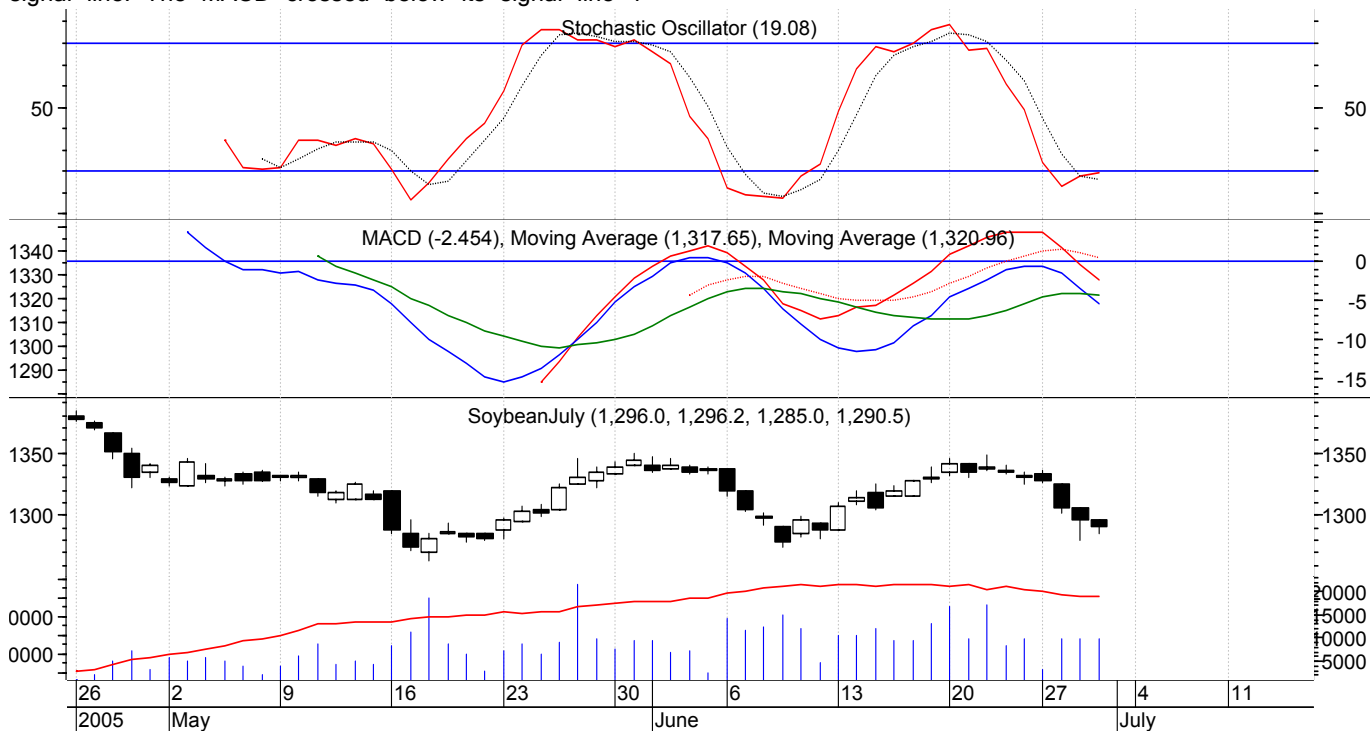
period(s) ago. Since the MACD crossed its moving average, Soybean July's price has decreased 0.41%, and has ranged from a high of 1,305.45 to a low of 1,280.00. The 7-Day MA turned lower showing the declining strength in the markets where as the 14-Day MA also turned lower confirming weakness in the soybean market.

Market advice:

Market is expected to open range bound but trade range bound on the lower side for Thursday. Trade cautiously with an eye on support and resistance levels given below.

Advisable trade limits:

Support at 1285.00 and Resistance at 1313.00



Forex Rates

(As on 29.06.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.55
Malaysia	Ringgit	11.46
European Union	Euro	52.44
United Kingdom	GBP	79.03
Japan	100 Yen	39.54

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.