

OILSEED

17th June 2005

- **Rapeseed Market Continued Up Amidst Increased Buyers Support**

DOMESTIC MARKET COMMENTARY

Soybean:

The domestic market opened steady at the futures but traded on the positive side in the spot markets news of increasing uncertainty in the monsoon amount and arrival and rising support from the international markets.

Majority of the traders are still interested in keeping their positions open as the bullish sentiments continues in the market following various contradicting statements regarding the progress of the monsoon in India.

The domestic future market trading started on a steady note but improved gradually as the day progressed. The Hazir market today also improved marginally amidst lack of support from the uncertainty in the monsoon.

The price of soybean in Kota market was quoted at Rs. 1300 per quintal. In Madhya Pradesh it was between Rs. 1430, in Karnataka it was Rs. 1280-1290 and in Maharashtra it was between Rs. 1280-1290.

Overall the market is expected to continue on the higher side for Saturday amidst continuous increased support from the international as well as retail markets.

Rapeseed/Mustard:

A rapeseed market continued to improve marginally amidst increased gains in the soyoil market and rising buying support from uncertain monsoon.

NAFED has offered the purchased mustard seeds to be sold in the open market in Kota and adjoining markets at the rate of Rs. 1550-1600 per quintal. Few traders / mill owners showed some interest at these rates.

The uncertain monsoon in the country is also responsible for the prevailing rising trend in the prices, but as soon as the rain arrives, the market is expected to make a significant downward movement.

Today, the rape oil found increased support form the buyers at major exchanges.

Today the new crop arrival reached 1.30 - 1.60 lakh bags in Rajasthan and about 0.50 lakh bags in Madhya Pradesh.

Overall, it is expected that the rapeseed will continue trading range bound on higher side for Saturday amidst increased support from the soybean oil market.

Status of Price & Supply of the New Crop

Markets	Prices	Arrivals (Lakh Bags)
Jaipur	1720-1725	-
Alwar	1670	0.022
Delhi	1740	0.015
Agra	1765	-
Sri Ganganagar	1525	0.025
Kota	1475-1520	0.045

Groundnut:

Groundnut continued on the higher side at various centres amidst support of the increasing local demand and growing uncertainty in the monsoon.

The latest seeding report suggest that the area under groundnut farming was 81000 hectare as on June 10 against 119000 hectares on the same day last year.

The uncertainty in the demand of the other edible oils is also causing range bound movement in the groundnut oil prices.

The range-bound positive trade in groundnut oil prices in the domestic markets is likely to continue Saturday amidst of increased demand

The rate of the Export Quality (80-90 Count) groundnut is Rs. 2580 per quintal, the bold (60-70 Count) is Rs. 2720 per quintal, the 50-60 count seed is Rs. 2690 and for 40-50 count the rate is Rs. 2290 in Mumbai market. In Gujarat the price varied from Rs. 1480, in Tamil Nadu it was between Rs. 1330 in Rajasthan it was between Rs. 1370, in Karnataka it was between Rs. 1480 and in Andhra Pradesh it was Rs. 1380.

Vayda Quotes

Mustard futures as on 17th June 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	5-Aug	339.00	339.00	339.50	337.00	-0.60	338.40
Hapur	5-Aug	358.40	358.50	359.20	357.00	-0.20	358.20
Bikaner	5-Jun	329.00	330.00	330.00	330.00	1.00	330.00
Bikaner	5-Aug	332.50	333.00	333.00	333.00	0.50	333.00
Hisar	5-Aug	336.90	337.20	337.20	336.10	0.00	336.90

CBOT

CBOT Soy Complex Futures Lowered Marginally on Partial Technical Correction

The move to a new 1-year peak for July soybeans and new contract highs for November soybeans was triggered by the dry and eventually hot forecast for the Midwest.

The lack of aggressive speculative buying following early highs was enough to let the market regroup and get its footing, with private forecasters disagreeing over the length of time next week's projected heat dome will last allowing futures to cool off a bit.

Private forecasters have begun to scale back predictions of heat and dryness for next week as the midday American model projected cooler and wetter conditions.

Poor weather in China soybeans areas combined with solid technical action has also attracted new buying. On top of the weather situation in the US and China, oil traders are watching the monsoon development, or lack of development, in India.

A crop failure for the oilseed crop in India can have a major impact on world edible oil prices with India already the world's largest importer.

Oil received an additional boost from President Bush indicating that alternative fuels such as bio-diesel should be used more actively in the US Energy Bill. The cool and dry forecast for the Midwest for the next 4 days is expected to be followed by warm (sometimes hot) temperatures and dry conditions for next week. A lack of rain for the next week is expected to help improve crop conditions in the western cornbelt but areas of Illinois will need rain in 5-7 days to avoid stressful growing conditions; especially if temperatures heat up.

For the weekly export sales report, released before the opening, traders are looking for soybean sales near 50,000-150,000 tonnes as compared with 236,100 tonnes last week. Meal sales are expected near 40,000-80,000 tonnes and oil sales are expected near 2,000-6,000 tonnes.

In soybean trades, ADM Investor Services bought 400 November, ABN Amro bought 300 November, Fimat bought 600 November, RJ O'Brien bought 300 July and Refco bought 200 November. On the sell side, ADM Investor Services sold 300 November, Cargill Investor Services sold

1,200 November, Rand Financial sold 400 November, RJ O'Brien and Refco each sold 500 November. Commodity funds were estimated sellers of 3,000 contracts.

The market is expected to continue further on the positive side as the undertone continues to be bullish.

CBOT Soybean futures as on 16 June 2005 Cents/bushels)

Months	Previous Settle	Open	High	Low	Change	Close
Jul'05	702.4	701.4	707.0	698.4	-1.8	700.6
Aug'05	706.4	706.2	710.6	703.0	-0.2	706.2

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX July Contract

Rapeseed July contract opened on a on the positive note and traded on the higher side during day's session. The market is expected to move lower in few day's time as the retail buyers' support is expected to decline further gradually.

Stochastic Oscillators: The %D-line continued up in the neutral region indicating stability in the prices. The % K-line also moved higher in the neutral region supporting the rising sentiments in the prices.

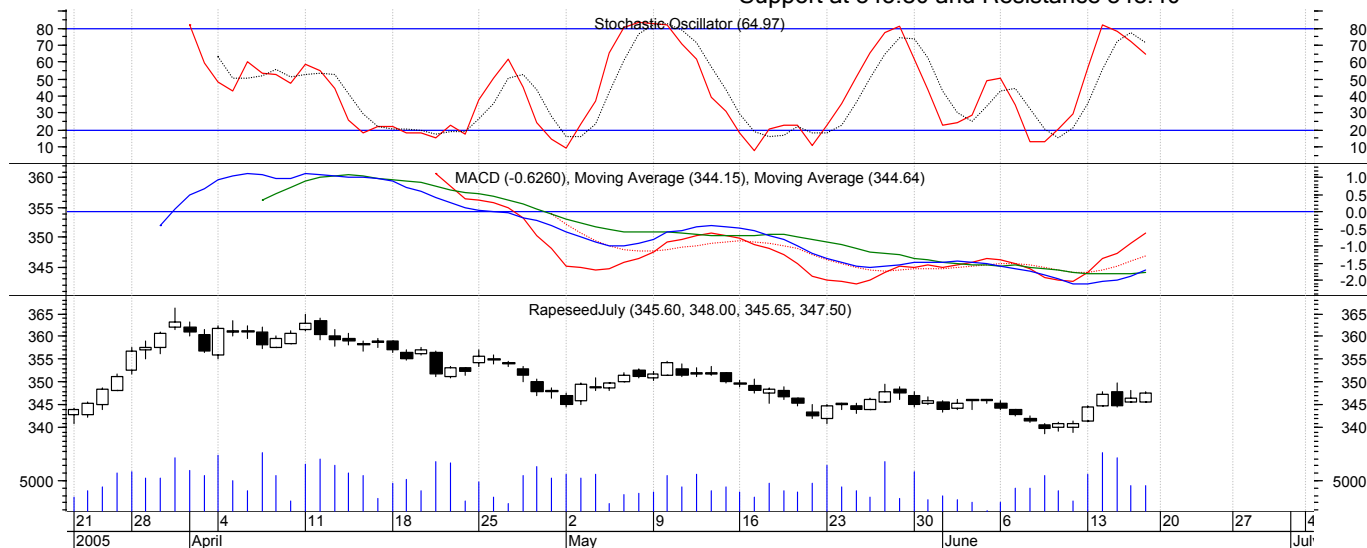
Currently the **MACD** is bullish since it is trading above its signal line. The **MACD** crossed above its signal line 3 period(s) ago. Since the **MACD** crossed its moving average, Rapeseed July's price has increased 0.06% and has ranged from a high of 349.700 to a low of 344.500. The **7-Day MA** turned up indicating the changing sentiment and has made a bullish crossover of the **14-Day MA** is hinting to the growing strength in the market.

Market advice:

Trade is expected to open steady and trade range bound on the higher side for Saturday. Trade cautiously with an eye on support and resistance level given below. Avoid new entry or trade with intra-day outlook.

Advisable trade limits:

Support at 345.80 and Resistance 348.40



COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX July Contract

Soybean seeds July contract opened marginally high and continued further on the higher side with range bound movements during today's session of trade.

Stochastic Oscillators: The %K line continued up in the neutral region indicating the steady increase in the domestic prices. The % D-line also moved up entering in the neutral region hinting to the rising strength in the price trends. The market is expected to open firm and continue range bound on the higher side.

Currently the **MACD** is bullish since it is trading above its signal line. The MACD crossed above its signal line 1

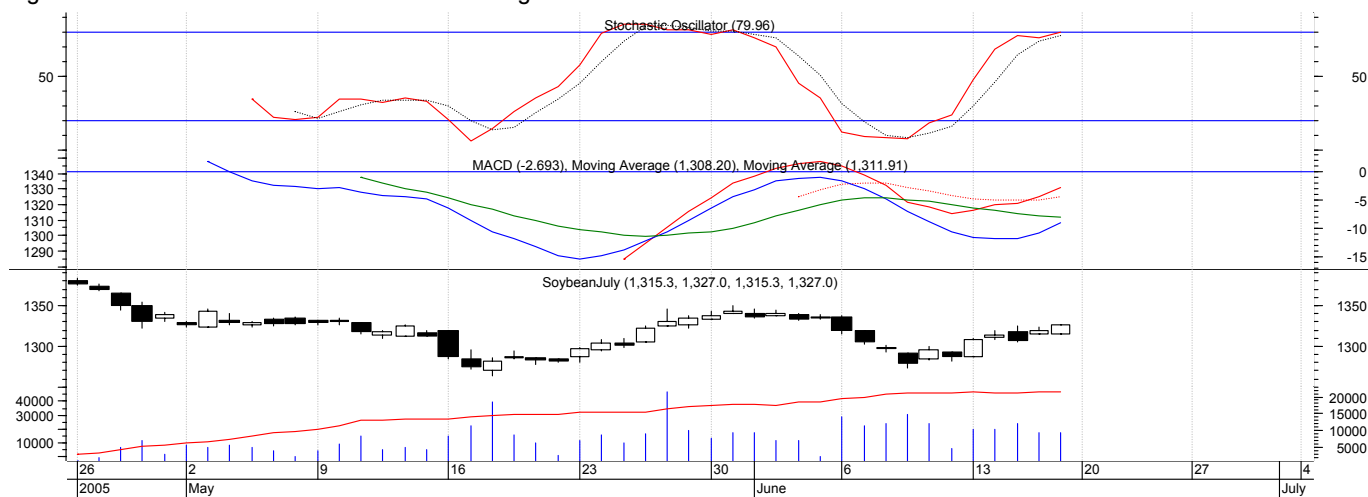
period(s) ago. Since the MACD crossed its moving average, Soybean July's price has increased 0.62% and has ranged from a high of 1,327.00 to a low of 1,315.30. **7-Day MA** also continued down along with the **14-Day MA** (with declining slope) making a bearish crossover, supporting the weakness in the soybean market.

Market advice:

Market is expected to open firm and high for Saturday amidst increased retail support. Trade cautiously with an eye on support and resistance levels given below.

Advisable trade limits:

Support at 1322.00 and Resistance at 1335.00



*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 17.06.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.59
Malaysia	Ringgit	11.48
European Union	Euro	52.75
United Kingdom	GBP	79.36
Japan	100 Yen	39.99

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