

## OILSEED

25<sup>th</sup> June 2005

- Rapeseed Market Traded Mixed on Steady and Low Retail Market

### DOMESTIC MARKET COMMENTARY

#### Soybean:

The domestic market opened on a firm note amidst increased buyer's support in the Indore NBOT futures.

The domestic future market trading started on a firm note but traded lower towards the end of the day's session amidst declining support from the retail end demand. The NBOT (July Contract) exchange closed unchanged at 378.40.

The Hazir market today also improved marginally and owing to the positive sentiments at the futures.

The price of soybean in Kota market was quoted at Rs. 1280 per quintal. In Madhya Pradesh it was between Rs. 1470-1475, in Karnataka it was Rs. 1250-1255 and in Maharashtra it was between Rs. 1260-1270.

The market is expected to continue weak for Monday amidst positive developments in the country's monsoon.

#### Rapeseed/Mustard:

A rape oil market traded mixed amidst news of progressing monsoon and steady low retail demand.

As expected earlier the progress of monsoon has adequately pulled down the market sentiments and the prices are expected to move further down in the coming days.

Today, the rape oil found on support from the buyers at major exchanges as well as in the spot markets. In the spot markets the prices improved marginally amidst increased support from the other edible oil markets.

Overall, it is expected that the rape oil will continue trading range bound on lower side for the coming days as the monsoon is expected to progress smoothly in the coming week.

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

Markets	Prices	Arrivals (Bags)
Jaipur	1725-1730	-
Alwar	1660	1500
Delhi	1755-1760	1500
Agra	1800	4025
Sri Ganganagar	1520-1525	900-1000
Kota	1480-1540	5000-5500

#### Groundnut

Groundnut oil continued down at various centres due to low local demand and news of progressing monsoon in the major growing areas.

The latest seeding report suggests that the area under groundnut farming was 1.95 lakh hectare as on week ending June 17<sup>th</sup> against 4.83 lakh hectares on the same day last year.

The range-bound weak trade in groundnut oil prices in the domestic markets is likely to remain for a day or two.

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. 1330-1350 in Rajasthan it was between Rs. 1350-1365, in Karnataka it was between Rs. 1480-1485 and in Andhra Pradesh it was Rs. 1370.

#### Vayda Quotes

##### Mustard futures as on 25<sup>th</sup> June 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	5-Aug	340.80	341.50	341.90	341.10	0.20	341.00
Hapur	5-Aug	359.85	361.00	361.00	360.00	-0.05	359.80
Bikaner	5-Aug	337.50	337.00	337.00	337.00	-0.50	337.00
Hisar	5-Aug	339.20	340.00	340.10	339.40	0.30	339.50

#### CBOT

##### CBOT Soy Complex Improved Significantly Amidst Growing Uncertainty in Crop Weather

Technically motivated speculative buying added to the bullish theme, with advances accelerating once futures eclipsed resistance at Thursday's highs. The supportive tone was consistent from the outset, with traders comfortable holding long positions into the weekend with 90-plus-degree temperatures expected to hold up through next week.

The outlook for soaring temperatures today in the Midwest (after basically no rain for the past week for Illinois, Indiana, Missouri and Arkansas) and the forecast for only scattered chances in these areas over the next week with 90 degree plus highs helped to drive the market sharply higher.

Crop conditions look to deteriorate rapidly in the next week for Illinois, Missouri and Arkansas and production in the three states alone represent about 23% of the total for the US. If Indiana is added to the aggregate, the driest areas represent near 32% of the US production.

Rainfall deficits of 5-6 inches in Illinois and the lack of rain in the forecast for another week indicate a collapse in crop

conditions for the weekly report on Monday afternoon. Fears of shifting weather forecast for Monday morning should keep the trade volatile.

In pit trades, ADM Investor Services and Rand Financial each bought 300 November, Refco bought 700 November, Cargill Investor Services and Citigroup each bought 600 November. On the sell side, FCStone sold 400 November, Calyon Financial, Refco and Tenco each sold 200 November, O'Connor sold 800 November, and Cargill Investor Services sold 300 November. Commodity funds were estimated buyers of 4,000 contracts.

Trade is expected to be on the higher side amidst growing uncertainty in the weather conditions and the partial support from the South American soybean markets.

#### CBOT Soy oil futures as 24 June 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul'05	725.6	737.0	746.0	737.0	+18.8	744.4
Aug'05	730.4	739.0	749.0	739.0	+17.8	748.2

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 traded range bound on higher side during day's session. The market is expected to move range bound on the declining support from the retail market.

**Stochastic Oscillators:** The %D-line continued pointing down in the neutral region indicating weakness in the prices. The % K-line lowered marginally in the neutral region indicating the weakness in the prices.

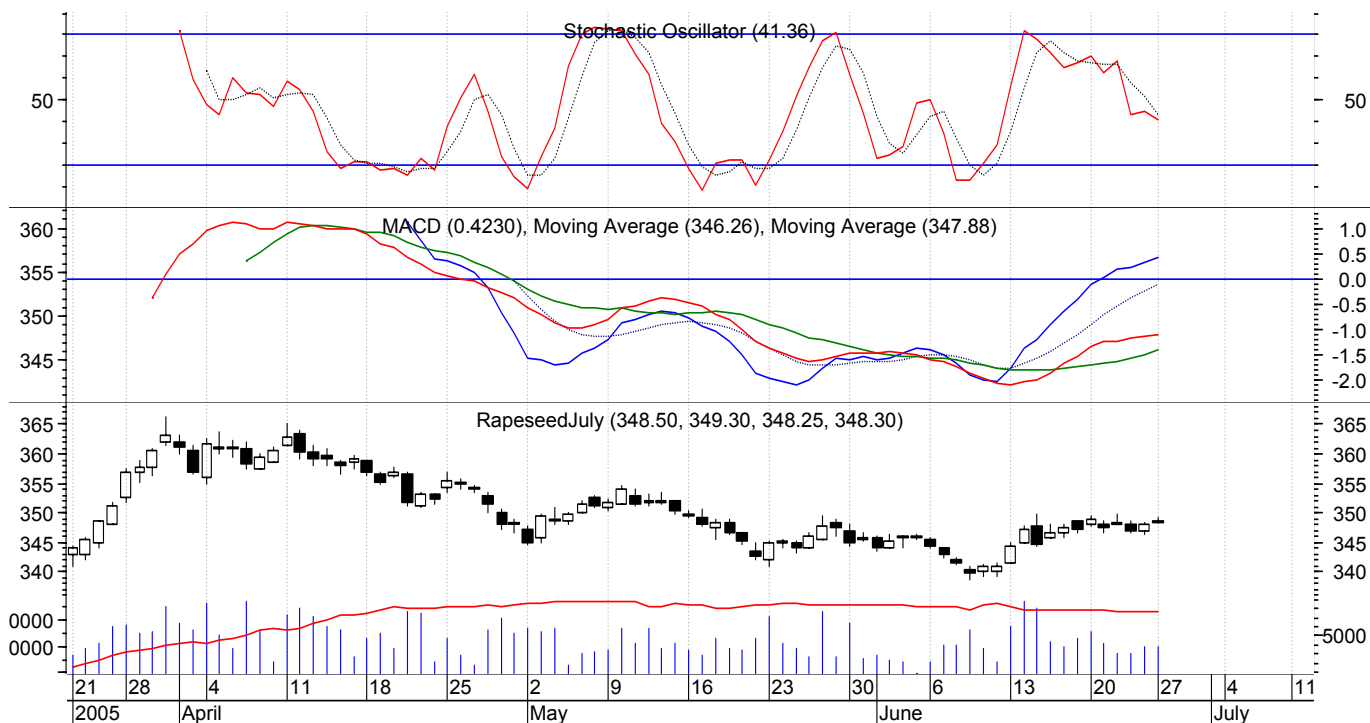
Currently the MACD is bullish since it is trading above its signal line. The MACD crossed above its signal line 10 period(s) ago. Since the MACD crossed its moving average, Rapeseed July's price has increased 0.29%, and has ranged from a high of 349.70 to a low of 344.50. The 7-Day MA is still moving up above the 14-Day MA is yet not supporting the weak trend in the market for the medium-term.

#### Market advice:

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

#### Advisable trade limits:

Support at 345.70 and Resistance 348.90



#### COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

#### NCDEX July Contract

**Soybean seed July contract** opened on the higher side and traded lower all through the day following the development in the monsoon rains.

**Stochastic Oscillators:** The %K line continued down in the neutral region indicating the losing strength in the

domestic prices. The % D-line also moved down hinting to the downward movement in the price.

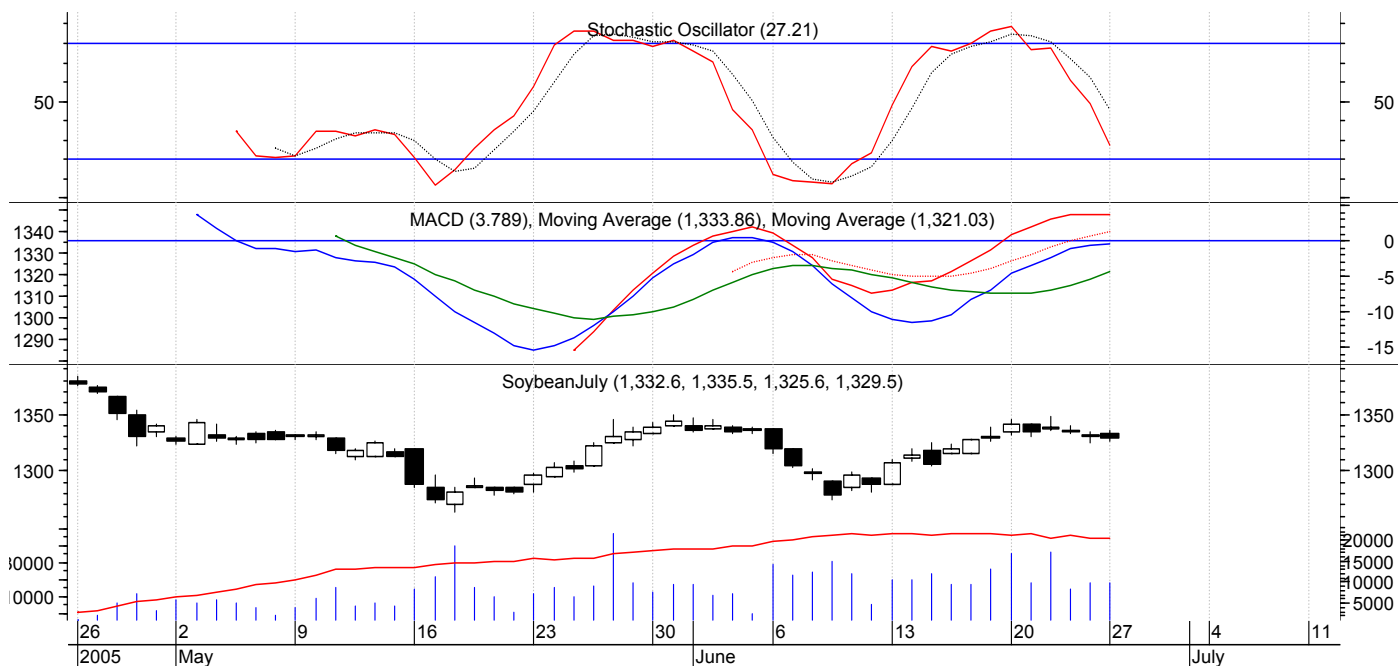
Currently the MACD is bullish since it is trading above its signal line. The MACD crossed above its signal line 8 period(s) ago. Since the MACD crossed its moving average, Soybean July's price has increased 0.81%, and has ranged from a high of 1,347.35 to a low of 1,315.35. 7-Day MA continued up after crossing the 14-Day MA from below making a bullish crossover, not confirming weakness in the soybean market.

**Market advice:**

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

**Advisable trade limits:**

Support at 1322.00 and Resistance at 1336.00

**\*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 25.06.2005)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.55
Malaysia	Ringgit	11.46
European Union	Euro	52.72
United Kingdom	GBP	79.45
Japan	100 Yen	39.94

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