

OILSEED

10th June 2005

Rapeseed Market Continued Lower on Continuous Lack of Retail Demand

*Latest Procurement details of NAFED (24.05.05)

Soybean:

The domestic market improved marginally amidst increased speculative buying.

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.

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

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	1660-1665	-
Alwar	1610	0.02
Delhi	1710	0.03
Agra	1735	-
Sri Ganganagar	1500	0.01
Kota	1450-1465	0.04-0.05

Groundnut:

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

The continuously growing uncertainty in the demand of the other edible oils is 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 Saturday 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 10 June 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	5-Aug	332.00	332.10	332.90	331.60	0.60	332.60
Hapur	5-Aug	350.80	351.25	351.60	349.40	-0.30	350.50
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	331.90	332.10	332.10	330.10	-0.90	331.00

CBOT

CBOT Soy Complex Improved Marginally on Potential Threat of Asian Soybean Rust

Futures staged a solid recovery from initial losses, benefiting from speculative buying amid the inability of the market to uncover follow-through selling pressure, and ideas the effects of Tropical Storm Arlene could increase the chances of Asian rust spreading from the southeastern U.S. into the Midwest.

The outlook for better rains for early next week due to the tropical storm from the Gulf of Mexico helped to trigger the early weakness.

The Meteorology weather forecast for the U.S. Midwest said rains over the western Midwest will continue to cause problems for any late planting or fieldwork for at least another five to seven days. Thundershowers over the eastern Midwest will begin to improve conditions for developing crops during the next few days. This is especially likely for Illinois.

Concerns for slower demand from China and long liquidation selling due to the weaker technical action added to the bearish tone.

Weekly export sales this morning came in at 236,100 tonnes, which was towards the low end of expectations. Cumulative exports have reached 97.9% of the USDA

forecast for the season as compared with 98.1% on average for this time of the year.

Old crop sales hit a marketing year low at just 85,900 tonnes as compared with 48,000 necessary each week to reach the USDA projection.

In soybean pit trades, Cargill bought 200 July, Cargill Investor Services bought 600 July and 400 November, Fimat bought 400 July, Tenco each bought 500 July, Refco bought 500 July and 500 November. On the sell side, Man Financial sold 1,000 July and Refco sold 400 July and 300 November. Commodity funds were estimated buyers of 3,000 contracts. Tenco spread 1,500 July/November, RJ O'Brien spread 500 November/July, FCStone spread 1,000 November/July and Rand Financial spread 1,000 November/August.

The market is expected to trade marginally lower as the market traders are looking for concrete moves from the USDA monthly crop progress reports.

CBOT Soybean futures as on 09 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 but continued on the higher 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 in spite of today's strength.

Stochastic Oscillators: The %D-line moved marginally lower in the oversold region indicating increasing weakness in the prices. The % K-line moved marginally higher in the oversold region supporting the partial improvement in the prices.

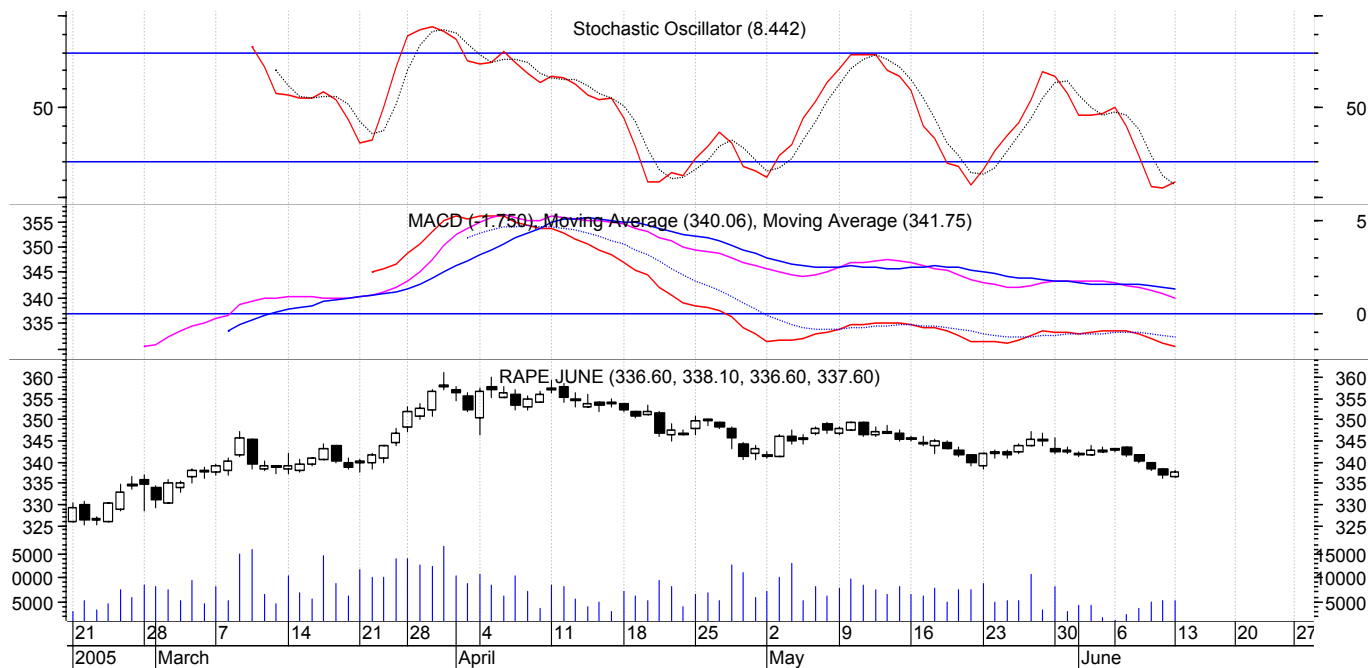
MACD continued downward in the negative region indicating the declining strength in the prices. The **7-Day MA** continued down after making a bearish crossover of the **14-Day MA** hinting to the growing weakness in the market.

Market advice:

Trade is expected to open steady but trade marginally on the lower side for Saturday. 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 339.00



COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX June Contract

Soybean seeds June contract opened on the positive 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 steady and continue range bound, but a short-term positive recovery cannot be denied in couple of days.

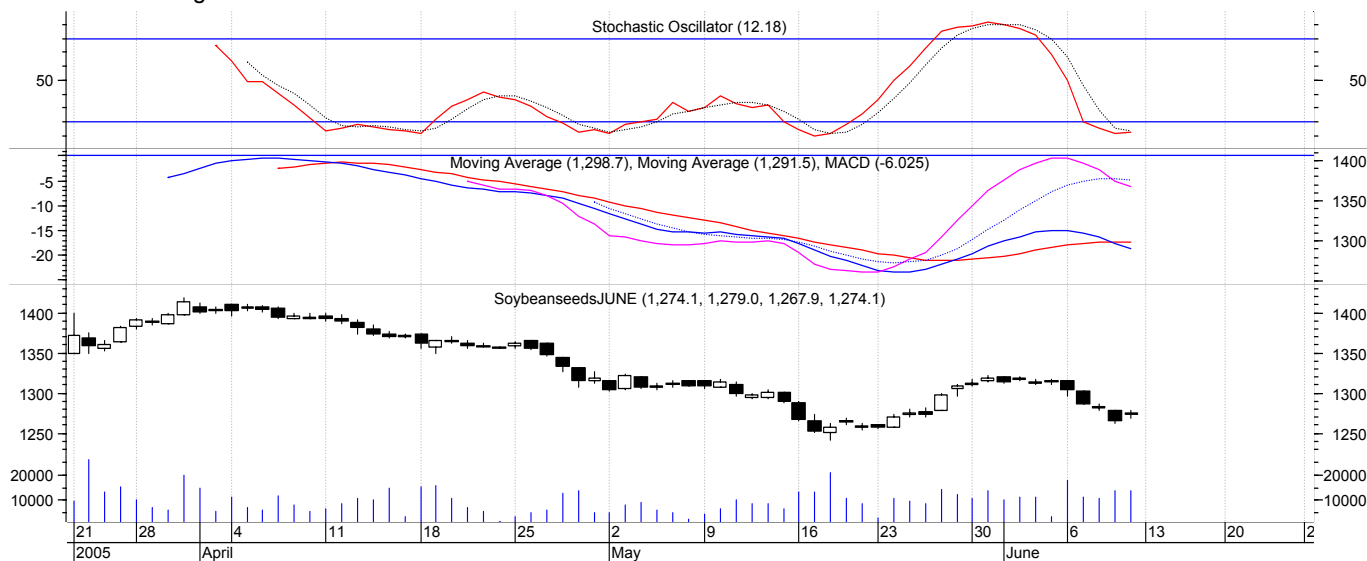
MACD continued down in the negative region, after intersected the **EMA** from below indicating the losing strength in the prices. **7-Day MA** also moved down along with the **14-Day MA** (with declining slope) making a bearish crossover, supporting the weakness in the soybean market.

Market advice:

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

Advisable trade limits:

Support at 1260.00 and Resistance at 1278.00

***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 10.06.2005)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.55
Malaysia	Ringgit	11.45
European Union	Euro	53.21
United Kingdom	GBP	79.26
Japan	100 Yen	40.53

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