

OILSEED

30th June 2005

- Rapeseed Market Continued Improving Amidst Increasing Retail Support

DOMESTIC MARKET COMMENTARY

Soybean:

The domestic market opened range bound but continued on the lower side amidst indecisive sentiments at the Indore NBOT futures and declining support from the international markets.

The domestic future market trading started on a negative note and traded range bound for the whole day in the negative region amidst declining support from the retail as well as the international markets. The international market is also supporting the up trend in the market for long run, but the status and progress of Indian monsoon is dominating over the international indicators keeping the market range bound. The NCDEX (July Contract) exchange closed at Rs. 1299.90 (Up by Rs. 8.90).

The Hazir market today also improved marginally and owing to the increasing retail demand.

The price of soybean in Kota market was quoted at Rs. 1270 per quintal. In Madhya Pradesh it was Rs. 1460-1470, in Karnataka it was Rs. 1270 and in Maharashtra it was between Rs. 1280-1285.

The market is expected to continue trading higher for Friday amidst news of smooth monsoon progress.

Rapeseed/Mustard:

A rapeseed market declined marginally amidst declining support from the soybean oil futures and lower retail demand.

The smooth progress of the monsoon in the parts of Haryana, Punjab and Rajasthan pulled down the market.

Today, the rape oil found declining support from the buyers at major exchanges at the start of the trade and it continued so amidst increasing uncertainty as the day progressed. 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 Friday as the retail demand is expected to increase.

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 continued lower 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 domestic demand is not expected to improve significantly in the coming days amidst growing uncertainty in the edible oil markets.

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. 1470-1475 and in Andhra Pradesh it was Rs. 1380.

Mayda Quotes

Mustard futures as on 30th June 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	5-Aug	342.70	343.00	343.70	340.00	-2.00	340.70
Hapur	5-Aug	362.80	362.75	363.70	359.70	-2.30	360.50
Bikaner	5-Aug	337.20	337.50	337.50	337.50	0.30	337.50
Hisar	5-Aug	341.20	341.50	341.50	339.50	-1.00	340.20

CBOT

CBOT Soy Improved Significantly on Weather uncertainty and Declining Crop Acreage

Futures experienced some two-sided action, with consolidation from the market's nearly 80-cent slide over the past two days providing support, while forecasts improving the chances of rain for the eastern Midwest next week applied pressure on the downward side.

Mid-day weather models, which showed increase chances of rain over the short-term and for next week for Illinois and the delta helped drive the market, lower on the day after the early moderate gains.

Some light rains of 1/4 to 1/2 inch fell in parts of central and eastern Illinois overnight, but traders believe the rains were not enough to relieve stressful conditions with about 30-40% coverage favoring the eastern parts of the state.

Positioning ahead of key USDA reports on Thursday morning added to the positive tone. For the USDA Planted Acreage report, released before the opening tomorrow, traders are looking for soybean planted acreage to come in near 73.1 million acres as compared with the March estimate at 73.9 million acres.

In the Grain Stocks report, traders look for June 1st soybean stocks near 715 million bushels as compared with 411 million last year.

In the weekly export sales report, also released before the opening, traders are expecting soybean sales near 50,000-100,000 tonnes, meal sales near 35,000-70,000 tonnes and oil sales near 2,000-6,000 tonnes.

In pit trades, ADM Investor Services bought 600 July, FCStone, O'Connor and Fimat each bought 300 November, Cargill Investor Services, Citigroup and Refco each bought 500 November. On the sell side, Fimat sold 2,000 November, RJ O'Brien sold 1,000 August, Cargill and Prudential Financial each sold 300 November with Citigroup a seller of 500 November. Commodity funds were estimated sellers of 2,000 contracts.

Trade is expected to be on the negative side today evening amidst growing uncertainty in the weather conditions and increasing possibilities of good rains in the coming days.

CBOT Soy oil futures as 29 June 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul'05	666.6	675.0	681.4	664.0	+5.4	672.0
Aug'05	671.4	679.4	686.0	669.4	+5.0	676.4

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 range bound 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 also continued up in the neutral region indicating the growing support in the prices.

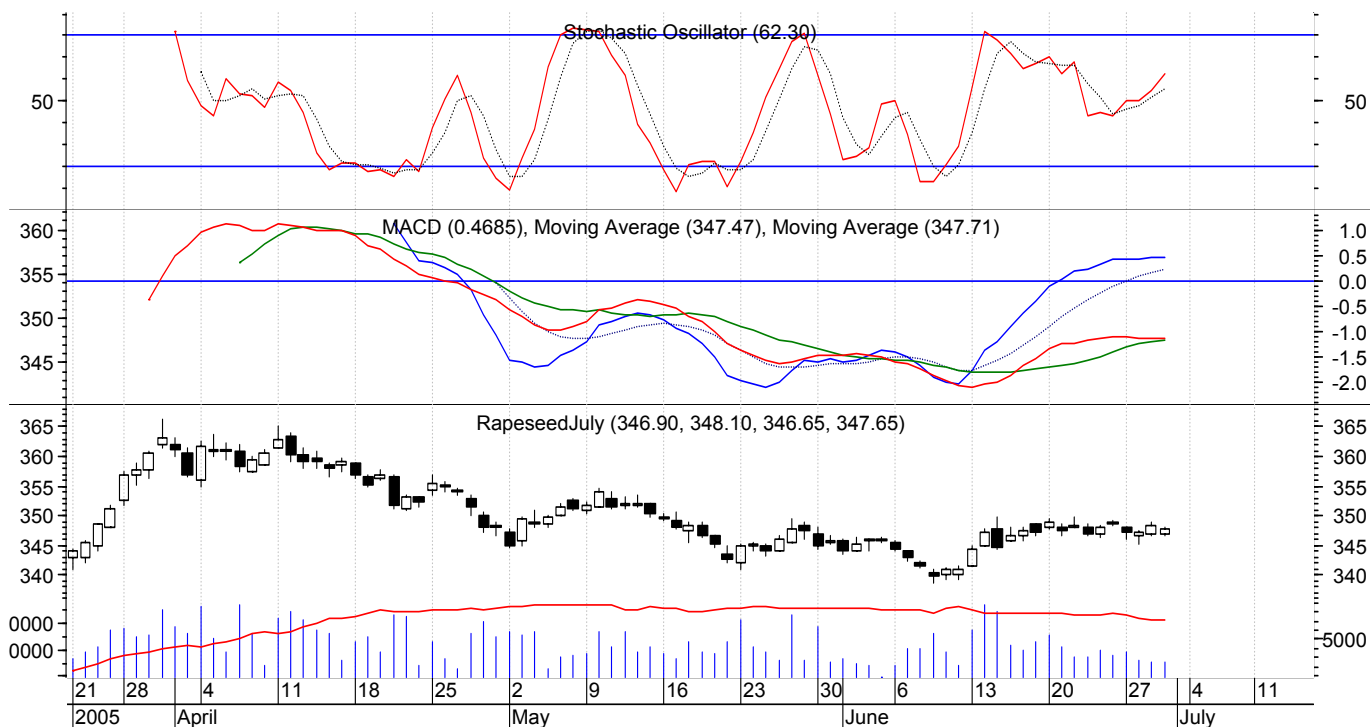
Currently the MACD is bullish since it is trading above its signal line. The MACD crossed above its signal line 14 period(s) ago. Since the MACD crossed its moving average, Rapeseed July's price has increased 0.10%, and has ranged from a high of 349.70 to a low of 344.50. The 7-Day MA moved marginally lower along with the 14-Day MA but hinting to the unsteady sentiment in the market.

Market advice:

Trade is expected to open steady and trade range bound on the higher side for Friday. 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 positive side and continued higher for the day following the positive development in the monsoon rains and increased retail demand.

Stochastic Oscillators: The %K line improved marginally in the neutral region indicating the loosing strength in the domestic prices. The % D-line also continued up in the neutral region hinting to the improving sentiments in the market.

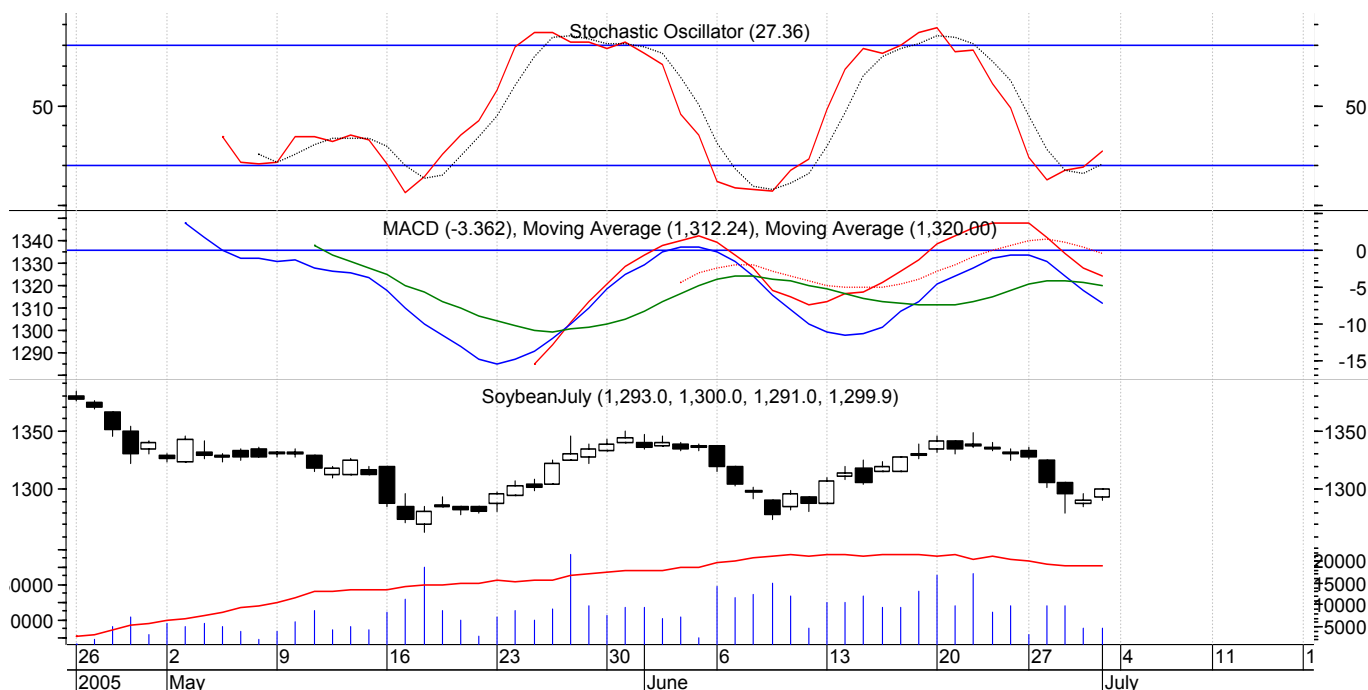
Currently the MACD is bearish since it is trading below its signal line. The MACD crossed below its signal line 2 period(s) ago. Since the MACD crossed its moving average, Soybean July's price has increased 0.32%, and has ranged from a high of 1,305.45 to a low of 1,280.00. The 7-Day MA continued lower showing the declining strength in the markets along with the 14-Day MA.

Market advice:

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

Advisable trade limits:

Support at 1292.00 and Resistance at 1313.00



Forex Rates (As on 30.06.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.51
Malaysia	Ringgit	11.48
European Union	Euro	52.68
United Kingdom	GBP	78.75
Japan	100 Yen	39.51

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