

OILSEED

6th June 2005

- Rapeseed Market Continued on Lower Side on Uncertain Demand & Uncertain Monsoon

*Latest Procurement details of NAFED (24.05.05)

Soybean:

The movement in the domestic market continued further on the lower side amidst growing uncertainty in the buyer's support.

The US market is expected to trade unsteady, in spite of the expected positive support for the opening trade of today evening amidst increased uncertainty in weather conditions and declining the export demand from the global market.

The domestic future market trading started on a steady note but continued on the lower side for the day amidst declining support from the retail demand. The NBOT exchange showed unsteady movement in the prices and finally closed at a lower level of 374.10 (Down by Rs. 0.20).

The Hazir market today continued range bound on the lower side amidst continued lack of support from the consistently declining retail demand.

Overall the market demand situation for the soybean continues to be highly volatile and is expected to continue range bound for Monday amidst uncertain support from the weather predictions.

Status of Price & Supply of the New Crop

Markets	Prices	Arrivals (Lakh Bags)
Jaipur	1660	-
Alwar	1605	0.02
Delhi	1720	0.012
Agra	1730	-
Sri Ganganagar	1510-1520	0.04
Kota	1450-1460	0.12

Groundnut:

Groundnut oil continued with the weakness in the major centres. Lower buying support continued at major markets amidst declining retail demand.

The onset the monsoon in the Kerala region has increased the uncertainty in demand for edible oils and this remains as one of the major factors, which is putting continuous pressure on the groundnut oil prices.

The range-bound nature of the groundnut oil prices in the domestic markets is likely to continue on Tuesday in absence of fresh buying support.

Rapeseed/Mustard:

The slightly weak tone of the market was noticed today amidst increased uncertainty in the retail end demand.

Adding to the weakness in the prices the increasing arrival in the major producing states of Rajasthan and MP owing to renewed purchasing by NAFED.

The news that NAFED is expected to bring the purchases Mustard seed in the market directly for sale also ushered weakness in the market.

Today, the rape oil found no support from the buyers at major exchanges. The selling activities weakened giving rise to the indecisive sentiments. This provided marginal support to the rape oil prices.

Today the new crop arrival reached 1.00 lakh bags in Rajasthan and about 0.30 lakh bags in Madhya Pradesh.

Overall, it is expected that the rape market would continue with the weak trend for the whole of this week.

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. 1340, in Karnataka it was between Rs. 1470 and in Andhra Pradesh it was Rs. 1330.

Vayda Quotes

Mustard futures as on 04 June 2005

(Rs/20kg)

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	5-Aug	337.30	336.60	336.80	335.20	-1.20	336.10
Hapur	5-Aug	356.60	356.00	356.00	354.90	-1.05	355.55
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	336.50	336.50	336.50	335.10	-1.10	335.40

CBOT

CBOT Exchange remained closed on regular weekend holiday. It will reopen on Monday evening (06.06.05).

CBOT Soybean futures as on 03 June 2005

(Cents/bushels)

Months	Previous Settle	Open	High	Low	Change	Close
Jul '05	668.4	666.6	679.4	666.6	+6.8	675.2
Aug '05	670.0	668.6	681.0	668.6	+7.2	677.2

CBOT remains closed on **Saturday** and **Sunday**.

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX June Contract

Rapeseed June contract opened on a on the lower side and continued range bound on the lower side for most the day. The market is expected to continue with its weakness in the coming days as the retail buyers' support is declining continuously.

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

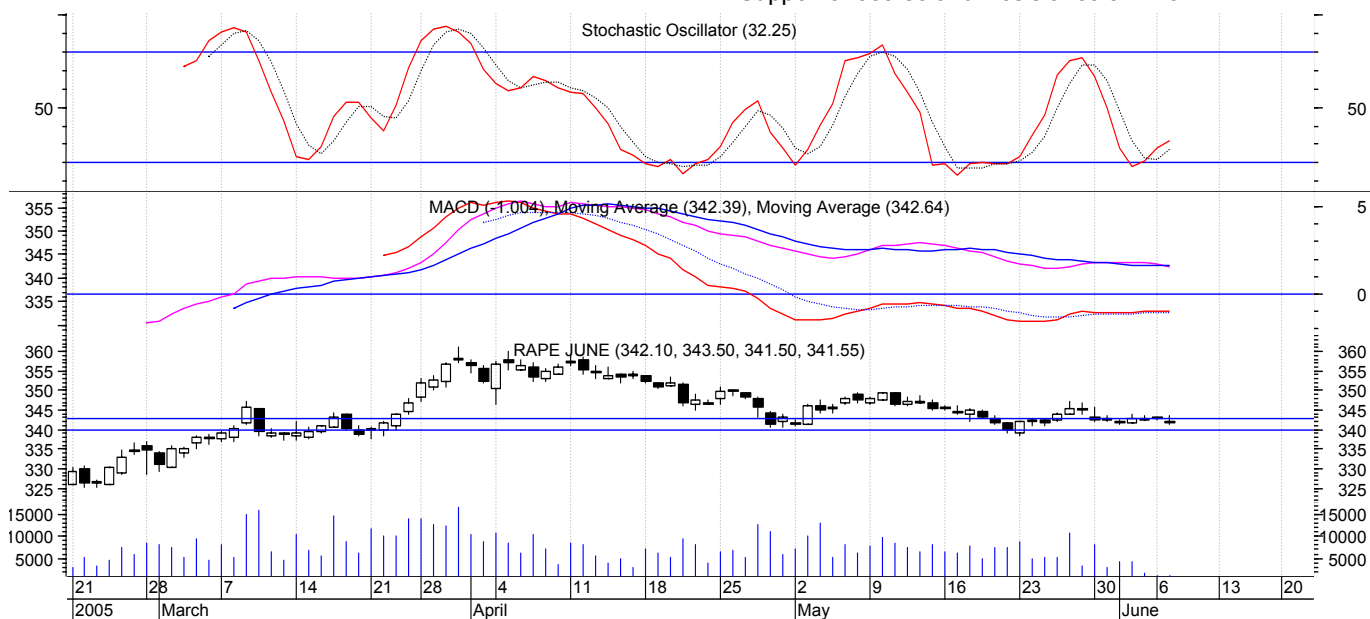
MACD continued downward in the negative region indicating the declining strength in the prices. The **7-Day MA** moved down making a bearish crossover of the **14-Day MA** hinting to the weakening sentiment in the market.

Market advice:

Trade is expected to open steady but trade marginally on the lower side for Tuesday. Trade cautiously with an eye on support and resistance level given below. Sell with very short-term outlook.

Advisable trade limits:

Support at 339.80 and Resistance 342.70



COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX June Contract

Soybean seeds June contract opened on a higher side but traded range bound for the day amidst uncertain demand at the domestic end and the indecisive international markets.

Stochastic Oscillators: The %K line dipped significantly in neutral region indicating the declining strength in the domestic prices. The % D-line also moved down entering the neutral region hinting to the declining strength of the prices. The market is expected to open on the range bound side but the downward movement cannot be denied.

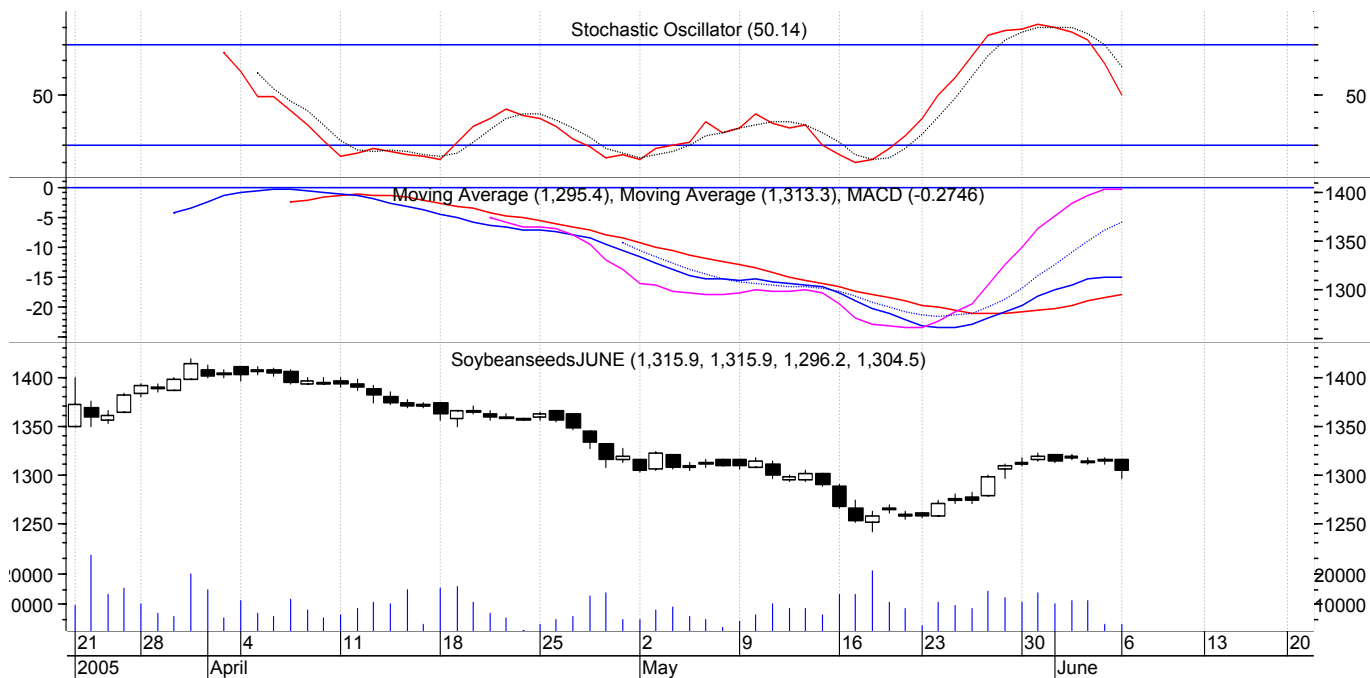
MACD continued up in the negative region but with a declining slope, after intersected the **EMA** from below indicating the losing strength in the prices. **7-Day MA** also moved up along with the **14-Day MA** (with declining slope) supporting the weakness in the soybean market.

Market advice:

Market is expected to open steady but trade range bound on the lower side for Tuesday amidst uncertain demand from the retail end. Trade cautiously with an eye on support and resistance levels given below.

Advisable trade limits:

Support at 1288.00 and Resistance at 1315.00



*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 06.06.2005)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.60
Malaysia	Ringgit	11.51
European Union	Euro	53.37
United Kingdom	GBP	79.16
Japan	100 Yen	40.57

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