

OILSEED

3rd June 2005

- Rapeseed Market Witnessed Range Bound Trade on Uncertain Retail Demand

*Latest Procurement details of NAFED (24.05.05)

Soybean:

The movement in the domestic market was quite range bound amidst declining buyer's support.

The US market is expected to trade on the lower side amidst declining support from the weather and the export demand in the global market.

The domestic future market trading started on a weak note, continued on the lower side for the day amidst declining support from the retail demand.

Overall the market demand situation for the soybean continues to be highly volatile and is expected to continue range bound on the lower side for Saturday amidst lack of positive support from Malaysian and US markets.

The price of soybean in Kota market was quoted at Rs. 1260-1270 per quintal. In Madhya Pradesh it was between Rs. 1450, in Karnataka it was Rs. 1270-1275 and in Maharashtra it was between Rs. 1240.

Rapeseed/Mustard:

The slightly indecisive tone of the market that is prevailing for the past few days continued today also.

Lack of demand is still continuing to pressurize the spot market prices.

Adding more to the weakness in the prices the arrival in the major producing states of Rajasthan and MP still remains significant.

Today however, the rape oil found some support from the soy oil. The selling activities weakened somewhat. This provided marginal support to the rapeseed prices.

The arrival of the old and new stock rapeseed in the market in Rajasthan and Madhya Pradesh market is witnessing a continuous decline. Today the new crop reached 1.30 lakh bags in Rajasthan and about 0.40 lakh bags in Madhya Pradesh.

Overall, it is expected that the rape oil may recover marginally on Saturday due renewed buying. However, the trend is likely to remain weak.

Status of Price & Supply of the new Crop

Markets	Prices	Arrivals (Lakh Bags)
Jaipur	1670	-
Alwar	1610	0.03
Delhi	1722	0.015
Agra	173	-
Sri Ganganagar	151-1520	0.05
Kota	1450-1475	0.15

Groundnut:

Groundnut maintained the weakness in the major centers. Lower buying support put weight on the groundnut oil prices.

Summer season generally reduces demand for edible oils and this remains as one of the major factors, which is putting continuous pressure on the groundnut oil prices also.

The range-bound nature of the groundnut prices in the domestic markets is likely to continue tomorrow also amidst lack of fresh buying support.

The rate of the Export Quality (80-90 Count) groundnut is Rs. 2560 per quintal, the bold (60-70 Count) is Rs. 2640 per quintal, the 50-60 count seed is Rs. 2615 and for 40-50 count the rate is Rs. 2280 in Mumbai market. In Gujarat the price varied from Rs. 1450, in Tamil Nadu it was between Rs. 1350 in Rajasthan it was between Rs. 1340, in Karnataka it was between Rs. 1470 and in Andhra Pradesh it was Rs. 1340.

Vayda Quotes

Mustard futures as on 03 June 2005

(Rs/20kg)

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	5-Aug	337.10	337.00	338.00	336.90	0.50	337.60
Hapur	5-Aug	356.75	356.00	357.10	355.80	-0.10	356.65
Bikaner	5-Jun	333.00	335.00	335.00	335.00	2.00	335.00
Bikaner	5-Aug	339.00	339.00	339.00	339.00	0.00	339.00
Hisar	5-Aug	336.40	336.40	337.10	336.40	0.30	336.70

CBOT

CBOT Soy Complex Down on Improving Weather & Increased Fund Selling

With talk of rain in the forecast into the weekend for the dry areas of the eastern cornbelt and talk of the overbought condition, speculative selling drove the market lower early in the session.

Fund selling was a feature across the trading floor as technical indicators weakened, helping soy complex prices lower.

Forecasts for rainy weather and warmer temperatures over the Midwest provided the catalyst for the selling.

Traders are expecting the eastern cornbelt to receive 1/4 to 3/4 of an inch of rain over the weekend and early next week reviving crop conditions. There is talk of more rain for Illinois for later next week.

China exchange prices were lower overnight and the US dollar has pulled back to move lower after the recent two-day surge to 7 month highs.

CBOT Soybean futures as on 02 June 2005

(Cents/bushels)

Months	Previous Settle	Open	High	Low	Change	Close
Jul '05	685.2	675.0	678.0	665.4	-16.8	668.4
Aug '05	686.6	676.0	678.4	667.0	-16.6	670.0

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

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Date: 03 June 2005

Perspective: Very Short Term

NCDEX June Contract

Rapeseed June contract opened on a on the steady and continued range bound marginally on lower side for most the day. The market is expected to embark on the downtrend in the coming days as the retail demand is declining continuously.

Stochastic Oscillators: The %D-line started curving up in the oversold region indicating strength in the prices. The %

Advisable trade limits:

Support at 341.70 and **Resistance** 343.30

South Korea bought 150,000 tonnes of US soybeans for delivery in the 2005/2006 season.

In trades, Man Financial sold 1,000 November, Refco sold a net 600 July, CIS sold 400 November and 500 July, O'Connor sold 500 July, R.J. O'Brien sold 300 July and 300 November, Bunge sold 300 July, Term Commodities and Prudential Financial each sold 300 November, ADM and Citigroup each sold 200 July and Stern sold 200 November. On the buy side, Cargill bought 500 July, while ABN Amro and Fimat each bought 300 July.

In the weekly export sales report, released before the opening, traders are looking for soybean sales near 75,000-200,000 tonnes as compared with 289,600 tonnes last week. Meal sales are expected near 40,000-80,000 tonnes with oil sales near 2,000-6,000 tonnes.

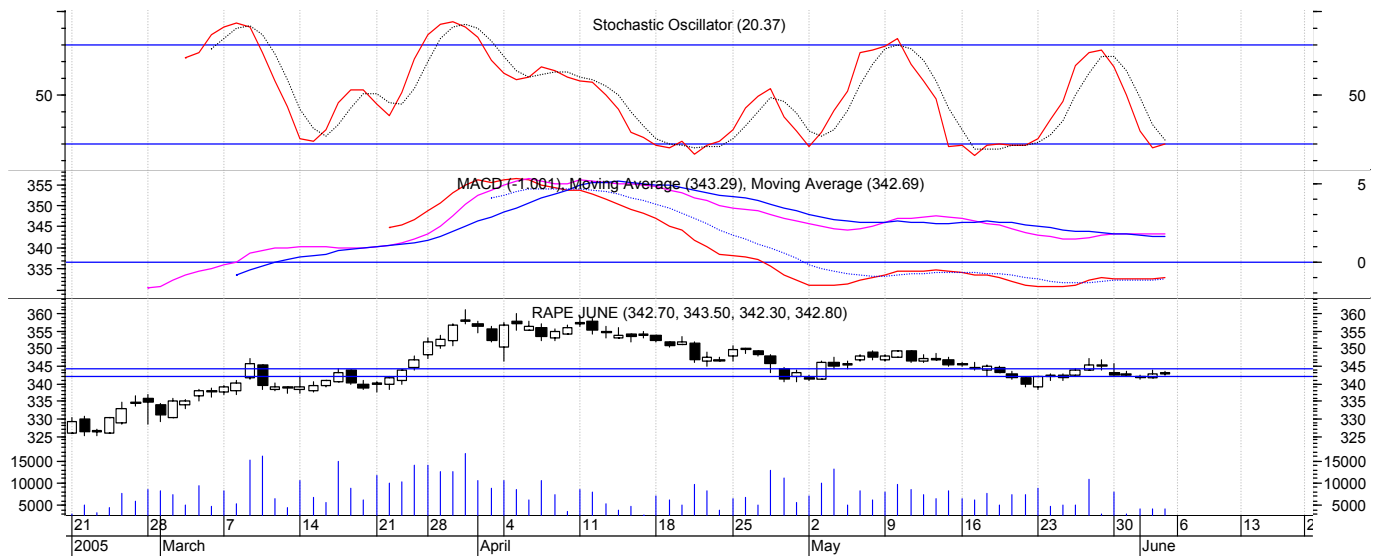
The market is expected to be on the lower side amidst uncertain support from the global export demand and the improving weather situations.

K-line moving downward in the neutral region indicating the declining strength in the prices.

MACD continued upward in the negative region indicating the strength in the prices. The **7-Day MA** also moved up irrespective of the **14-Day MA**, making a bullish crossover of the **14-Day MA**, hinting to the indecisive sentiment in the market.

Market advice:

Trade is expected to open steady but trade range bound for Friday. Trade cautiously with an eye on support and resistance level given below. Buy with very short-term outlook.



COMMODITY: SOYBEAN SEED

Date: 03 June 2005

Perspective: Very Short Term

NCDEX June Contract

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

Stochastic Oscillators: The %K line dipped marginally in over bought region indicating the declining grip in the domestic prices. The % D-line also moved marginally down in the oversold region hinting to the loosing strength of the

prices. The market is expected to open on the lower side and trade too weak for the day.

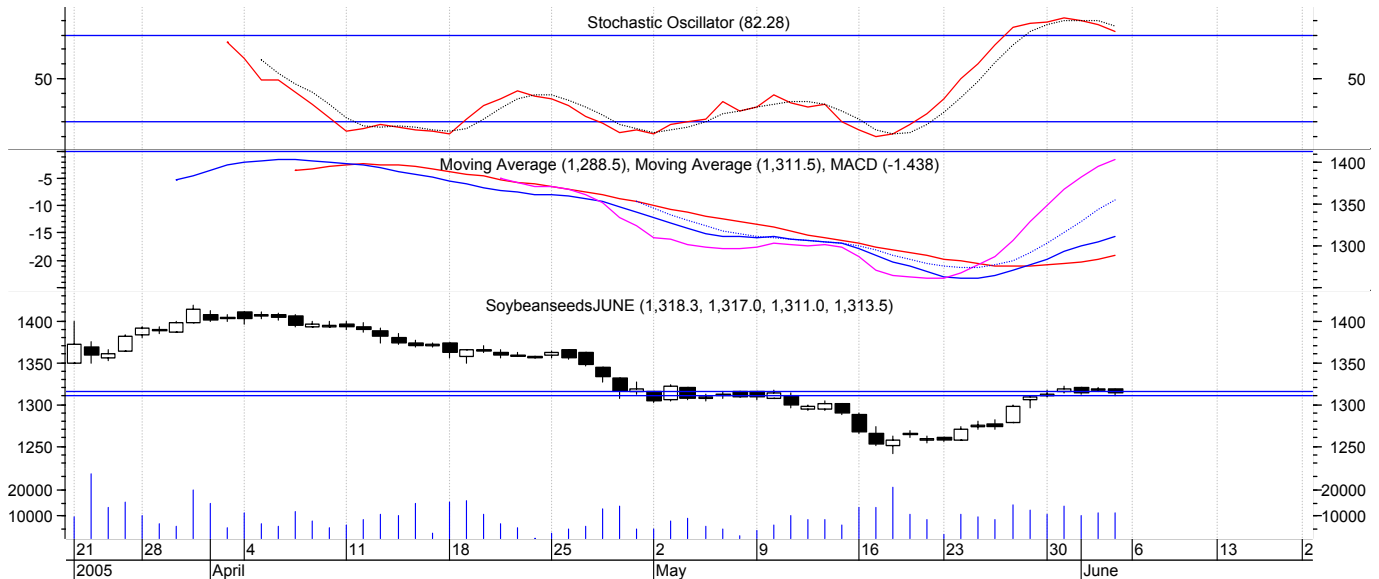
MACD continued up in the negative region after intersected the EMA from below indicating the rising strength in the prices. 7-Day MA also moved up along with the 14-Day MA supporting the rising strength in the soybean market.

Market advice:

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

Advisable trade limits:

Support at 1310.00 and Resistance at 1316.00



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 03.06.2005)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.66
Malaysia	Ringgit	11.51
European Union	Euro	53.54
United Kingdom	GBP	79.33
Japan	100 Yen	40.41

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