

OILSEED

23rd June 2005

- Rapeseed Market Weakened on News of Advancing Monsoon

DOMESTIC MARKET COMMENTARY

Soybean:

The domestic market opened very weak at the futures amidst news of progressing monsoon and monsoon rains at several places in Madhya Pradesh and Rajasthan.

Majority of the traders are still interested in keeping their positions open as the bullishness is still prevailing in the market but they are expected to go bearish by today evening if news of monsoon rains continues to progress at the pace it is doing currently.

The domestic future market trading started on a weak note and continued further lower for the day. The NBOT (July Contract) exchange moved up from yesterday's level to close at a level of 378.70 (Down by Rs. 5.10).

The Hazir market today also remained weak marginally and owing to the progress of the monsoon rains.

Prices for soy degum (High-Seas) at Kandla were quoted at Rs 344 per 10 kg. CNF prices for soy degum (June Shipment) at Kandla were quoted at \$ 520 per tonne.

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

Rapeseed/Mustard:

A rapeseed market showed mixed sentiments amidst sustained buying support at major mustard exchanges.

NAFED has started selling the mustard seed in the open market in Kota and adjoining markets at the rate of Rs. 1550-1600 per quintal.

The uncertain monsoon in the country is also responsible for the prevailing rising trend in the prices, but the rains seem to progress further in the northern and eastern regions changing the overall sentiments in the trade. The market is expected to trade marginally lower if the monsoon rains progresses smoothly.

Today, the rape oil found increased support from the buyers at major exchanges as well as in the spot markets. In the spot markets the prices jumped significantly amidst growing uncertainty in the amount and timing of monsoon.

Overall, it is expected that the rape oil will continue trading range bound on lower side for the coming days as the soybean oil market is not expected to support the rising prices hence forth.

Status of Price & Supply of the New Crop

Markets	Prices	Arrivals (Bags)
Jaipur	1725-1730	-
Alwar	1660	1500
Delhi	1755-1760	1000
Agra	1800	4050
Sri Ganganagar	1520-1525	500-700
Kota	1480-1540	4500-5000

Groundnut

Groundnut traded down at various centres due to low local demand but it is getting support from the growing uncertainty in the monsoon.

The latest seeding report suggests that the area under groundnut farming was 1.95 lakh hectare as on week ending June 17th 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 in Rajasthan it was between Rs. 1370, in Karnataka it was between Rs. 1480 and in Andhra Pradesh it was Rs. 1380.

Vayda Quotes

Mustard futures as on 23rd June 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	5-Aug	340.80	340.80	340.80	339.20	-1.10	339.70
Hapur	5-Aug	360.80	360.70	360.70	358.80	-1.70	359.10
Bikaner	5-Aug	335.00	337.00	337.00	337.00	2.20	337.20
Hisar	5-Aug	339.70	340.00	340.00	338.20	-1.10	338.60

CBOT

CBOT Soy Complex Ended Marginally Down Amidst Continuing Uncertainty In Weather

Dryness in the eastern cornbelt and into Missouri and Arkansas helped trigger another surge in fund buying early in the session as overnight scattered rains in the forecast for Illinois failed to materialize which leaves the crops in a stressful condition ahead of a hot forecast for the next 10 days.

Chicago forecasters' pegged daily highs above 90 degrees for 5 of the next 6 days with mid-90's.

While producer selling in the US slowed yesterday, talk of heavy producer selling in South America helped to limit the gains. Harsh weather in China growing areas and monsoon concerns in India added to the positive tone.

New-crop months rallied to new highs in early trade, bolstered by the lack of expected showers in dry areas of the Midwest overnight. Mounting fears of potential yield losses amid healthy demand profiles continued to raise concerns over the potential tightening of the new-crop soybean balance sheet.

Taiwan is tendering for 7,000 tonnes of US soybeans.

Weekly export sales, released before the opening, are expected to come in near 50,000-150,000 tonnes for soybeans, 35,000-70,000 tonnes for meal and 2,000-7,000 tonnes for oil. For the monthly Census crush report, also released before the opening, traders are looking for the May soybean crush near 142.25 million bushels as compared with 117.5 million bushels last year. Oil stocks are expected near 1.856 billion pounds.

In soybean trades, Bunge Chicago bought 400 July, Citigroup, Cargill Investor Services and Man Financial each bought 300 November, and Fimat bought 200 November. On the sell side, ADM Investor Services and Citigroup each sold 200 November, Cargill sold 500 November, Cargill Investor Services sold 300 August, Fimat sold 400 November, RJ O'Brien sold 500 November, Rand Financial sold 300 November, and Refco sold 800 November.

Trade is expected to be range bound 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 22 June 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul'05	735.2	752.0	752.0	735.0	+1.8	737.0
Aug'05	739.0	754.4	754.4	738.4	+1.0	740.0

CBOT remains closed on Saturday and Sunday.

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX July Contract

Rapeseed July contract opened high but traded on lower side during day's session. The market is expected to move low on the declining support and news of advancing monsoon rains.

Stochastic Oscillators: The %D-line is sharply pointing down in the neutral region indicating weakness in the prices. The % K-line is also moving down in the neutral region indicating the growing weakness in the prices.

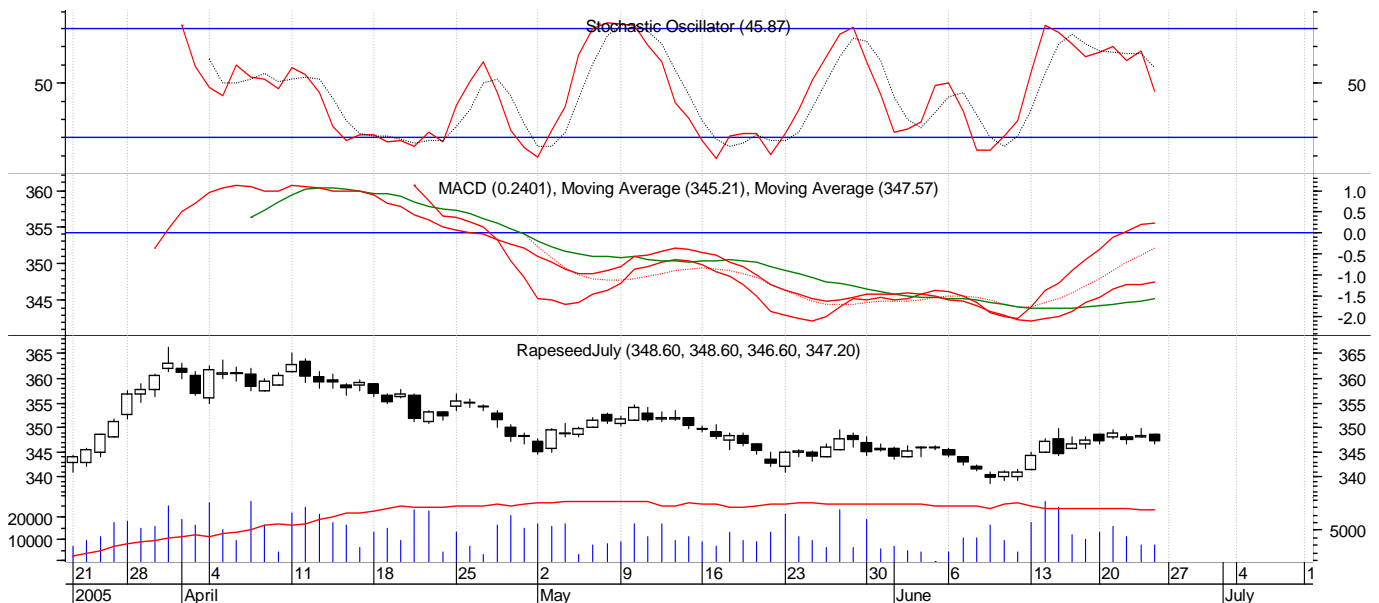
Currently the MACD is bullish since it is trading above its signal line. The MACD crossed above its signal line 8 period(s) ago. Since the MACD crossed its moving average, Rapeseed July's price has decreased 0.03%, and has ranged from a high of 349.70 to a low of 344.50. The 7-Day MA is still moving 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 Friday. 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 345.60 and Resistance 348.30



COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX July Contract

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

Stochastic Oscillators: The %K line dipped down in the neutral region indicating the loosing strength in the domestic prices. The % D-line also moved down hinting to the downward movement in the price. The market is expected to open low and trade range bound on the lower side.

Currently the MACD is **bullish** since it is trading above its signal line. The MACD crossed above its signal line 6

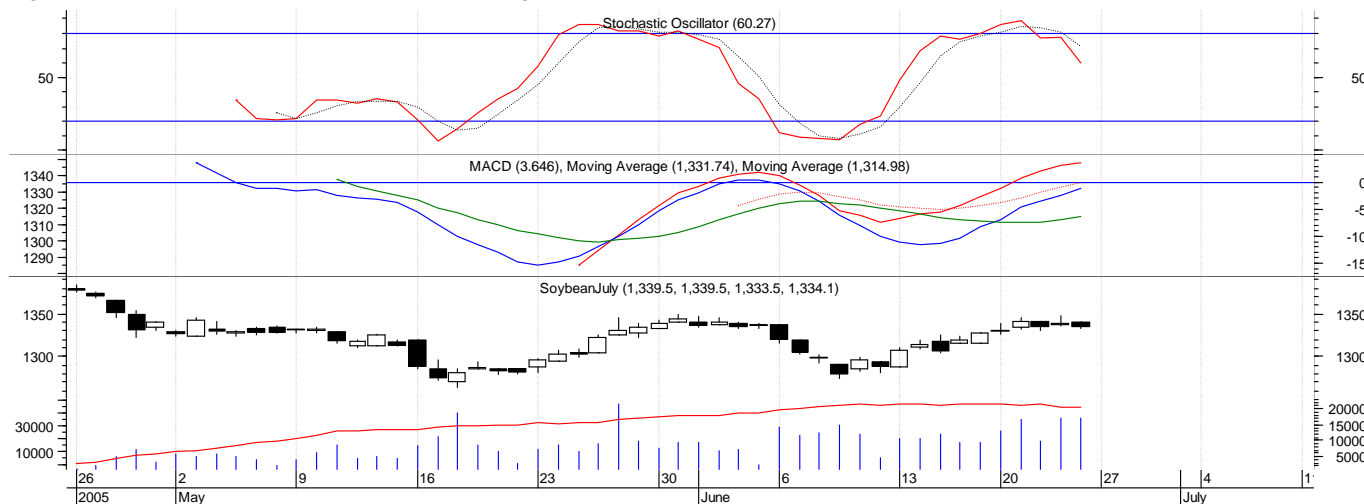
period(s) ago. Since the MACD crossed its moving average, Soybean July's price has **increased 1.16%**, and has ranged from a high of 1,347.35 to a low of 1,315.35. 7-Day MA moving up crossing the 14-Day MA from below making a bullish crossover, not confirming weakness in the soybean market.

Market advice:

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

Advisable trade limits:

Support **at 1327.00** and Resistance **at 1338.00**



*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 23.06.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.53
Malaysia	Ringgit	11.47
European Union	Euro	52.74
United Kingdom	GBP	79.25
Japan	100 Yen	40.04

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