

## OILSEED

15<sup>th</sup> June 2005

- Rapeseed Market Declined Marginally on News of Progressing Monsoon

### \*Latest Procurement details of NAFED (24.05.05)

#### Soybean:

The domestic market declined marginally today on news of progressing monsoon and increasing uncertainty in the international markets.

Majority of the traders are still keeping their positions open as the bullish sentiments has not completely faded away with a single day marginal decline.

The domestic future market trading started on a firm note but declined marginally after couple of hours as the news of the progress of the monsoon poured in.

The Hazir market today continued range bound on the positive side amidst lack of support from the uncertainty in the monsoon.

The price of soybean in Kota market was quoted at Rs. 1250-1260 per quintal. In Madhya Pradesh it was between Rs. 1440, in Karnataka it was Rs. 1250-1255 and in Maharashtra it was between Rs. 1250.

Overall the market is expected to continue range bound side for Thursday amidst continuous increased support from the international as well as retail markets.

#### Rapeseed/Mustard:

A weak trend of the market continued on the recovery track amidst increased gains in the soyoil market and rising buying support from the retail traders.

The marketing strategy of NAFED is still not yet clear. Its indecisiveness regarding the sale of mustard seed in the Indian market is causing great anxiety in the domestic market, forcing the market to move range bound.

The retail demand is expected to go on the significant increase as the monsoon settles.

Today, the rape oil found partial support from the buyers at major exchanges.

Today the new crop arrival reached 0.80 lakh bags in Rajasthan and about 0.35 lakh bags in Madhya Pradesh.

Overall, it is expected that the rape oil will continue trading range bound Thursday due lack of retail demand.

#### Status of Price & Supply of the New Crop

Markets	Prices	Arrivals (Lakh Bags)
Jaipur	1720-1725	-
Alwar	1670	0.022
Delhi	1740	0.015
Agra	1765	-
Sri Ganganagar	1525	0.025
Kota	1475-1520	0.045

#### Groundnut:

Groundnut continued on the higher side at various centres amidst support of the increasing local demand at various centres in southern markets.

The market also reacted positively to the news of expected decline in the Kharif groundnut acreage for the next cropping year of 2005-06.

The uncertainty in the demand of the other edible oils is causing range bound movement in the groundnut oil prices.

The market sentiment is changing in accordance with the monsoon progress, which has become greatly uncertain both in terms of timings and amount.

The range-bound positive trade in groundnut oil prices in the domestic markets is likely to continue Wednesday amidst of increased demand.

The rate of the Export Quality (80-90 Count) groundnut is Rs. 2570 per quintal, the bold (60-70 Count) is Rs. 2720 per quintal, the 50-60 count seed is Rs. 2680 and for 40-50 count the rate is Rs. 2275 in Mumbai market. In Gujarat the price varied from Rs. 1460, in Tamil Nadu it was between Rs. 1300 in Rajasthan it was between Rs. 1340, in Karnataka it was between Rs. 1480 and in Andhra Pradesh it was Rs. 1365.

#### Vayda Quotes

##### Mustard futures as on 15<sup>th</sup> June 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	5-Aug	339.20	340.75	340.75	337.40	-1.80	337.40
Hapur	5-Aug	359.20	361.50	361.50	356.60	-2.60	356.60
Bikaner	5-Jun	325.00	328.00	328.00	328.00	3.00	328.00
Bikaner	5-Aug	330.00	332.00	332.00	332.00	2.00	332.00
Hisar	5-Aug	337.70	339.10	339.10	335.70	-2.00	335.70

#### CBOT

##### CBOT Soy Complex Futures Improved on Extended Forecast Models Projecting Lesser Rains

The extended forecast models had very little rain and warmer temperatures, which supported a flurry of buying shortly after the opening.

Crops rated in good to excellent condition came in at 64% from 62% last week, 68% last year and 63% as the 15-year average for this time of the year.

The NOPA crush report this morning provided some support with stronger than expected demand. Processors

crushed 136.7 million bushels for the month of May as compared with trade expectations at 132 to 136 million bushels.

Oil stocks were pegged at 1.571 billion pounds from 1.477 billion in April. April was revised to 1.477 billion from 1.459 billion last month.

Private weather forecasts talking up the possibility of a moisture-blocking ridge setting into the Midwest over the next 14 days provided the spark that kept speculative traders adding risk premium to prices.

The uncertainty in the market related to weather and crop conditions continued to promote volatility, with futures especially sensitive to weather changes, particularly with there being little room for a sub-par 2005 crop amid aggressive 2005-06 demand profiles from the U.S. Department of Agriculture.

The DTN's weather forecast calls for mostly dry weather, with below-normal temperatures across the Midwest for the remainder of the week. And so the chances for additional rainfall in the eastern Midwest (east of the Mississippi) will be minimal. Corn and soybean soil moisture will continue to lag even average supply for this time of year.

In soybean trades, Calyon Financial bought 500 July and 300 November, Cargill Investor Services bought 1,000 July and 500 November, Citigroup bought 1,000 November, Man Financial bought 600 July, Refco bought 600 November, ADM Investor Services and Bunge Chicago each bought 200 July, and Tenco bought 400 November. On the sell side, Cargill sold 300 July, Calyon Financial sold 200 July, Citigroup sold 300 November, Fimat sold 300 July, Refco sold 300 July and 1,000 November, and UBS securities sold 500 July. Commodity funds were estimated buyers of 5,000 contracts.

The market is expected to trade range bound on the positive side amidst uncertain weather progress.

#### CBOT Soybean futures as on 14 June 2005 Cents/bushels)

Months	Previous Settle	Open	High	Low	Change	Close
Jul'05	680.4	677.0	693.0	677.0	+9.2	689.6
Aug'05	683.0	680.4	696.0	680.4	+10.2	693.2

### TECHNICAL ANALYSIS

#### COMMODITY: MUSTARD SEED

Perspective: Very Short Term

#### NCDEX June Contract

**Rapeseed June contract** opened on a on the positive note and continued on the higher side for couple of hours but declined significantly as the news of monsoon progress came by. The market is expected to move lower in the coming days as the retail buyers' support is expected to decline further gradually.

**Stochastic Oscillators:** The %D-line continued up in the oversold region indicating stability in the prices. The % K-line also moved higher in the neutral region supporting the rising sentiments in the prices.

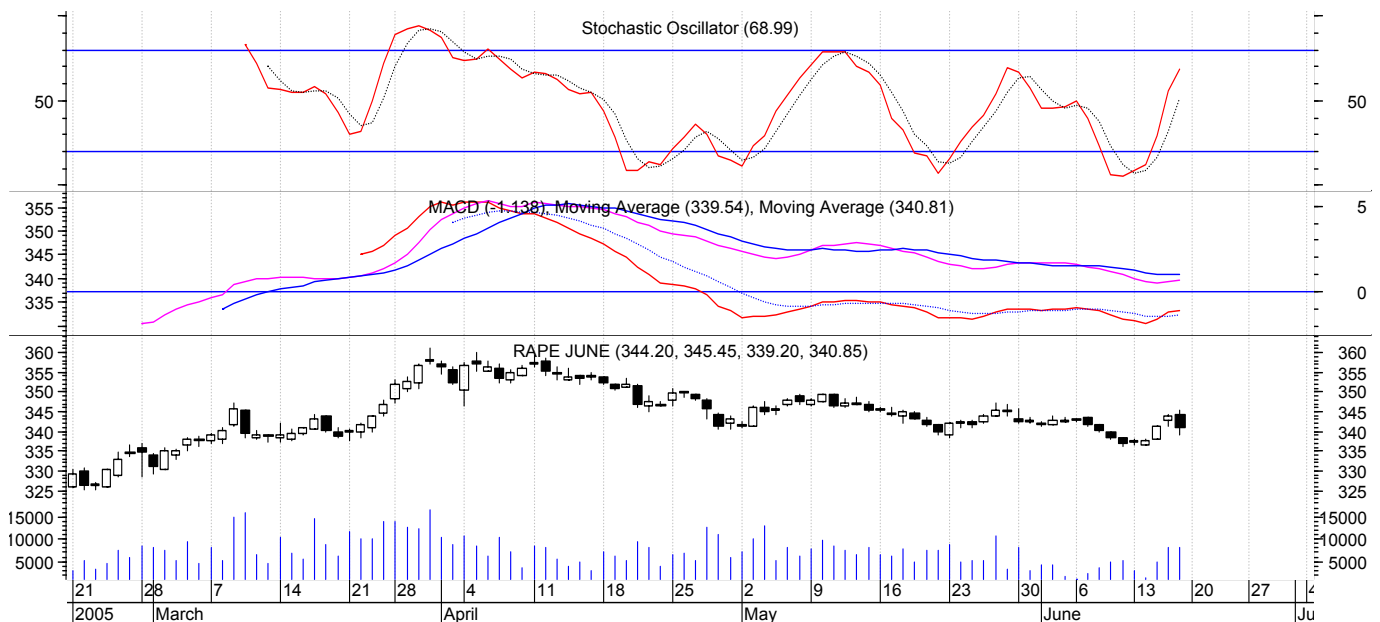
**MACD** continued up in the negative region indicating the rising strength in the prices. The **7-Day MA** turned up indicating the changing sentiment but the **14-Day MA** is still hinting to the existing weakness in the market.

#### Market advice:

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

#### Advisable trade limits:

Support at 338.00 and Resistance 343.20



#### COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

#### NCDEX June Contract

**Soybean seeds June contract** opened on the positive note and traded further higher for the first couple of hours, but declined as the monsoon progress news came in the market.

**Stochastic Oscillators:** The %K line continued up entering the neutral region indicating the steady increase in the domestic prices. The % D-line also moved up entering in the neutral region hinting to the rising strength in the price trends. The market is expected to open firm and continue range bound on the higher side.

**MACD** continued further down in the negative region, after intersected the **EMA** from below indicating the loosening

strength in the prices. **7-Day MA** also continued down along with the **14-Day MA** (with declining slope) making a bearish crossover, supporting the weakness in the soybean market.

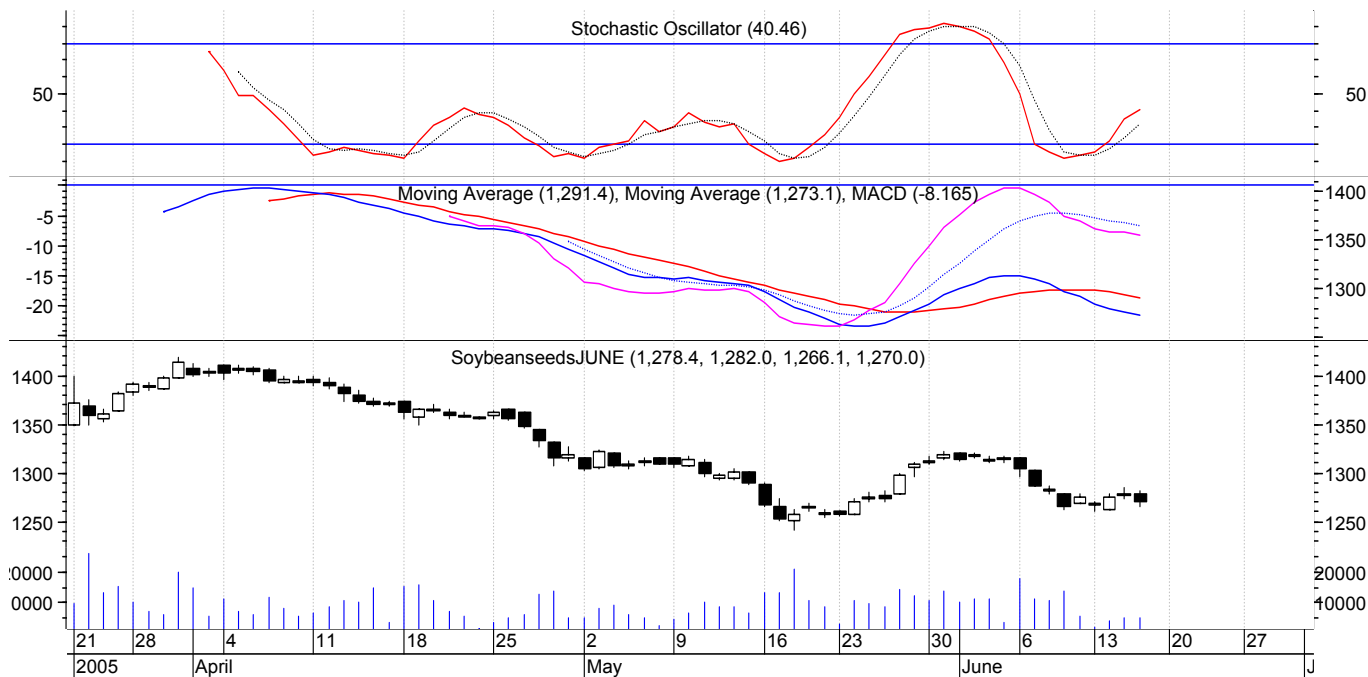
#### Market advice:

Market is expected to open steady and trade range bound for Thursday amidst increased retail support. Trade

cautiously with an eye on support and resistance levels given below.

#### Advisable trade limits:

Support at 1265.00 and Resistance at 1287.00



#### \*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 15.06.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.66
Malaysia	Ringgit	11.49
European Union	Euro	52.54
United Kingdom	GBP	78.96
Japan	100 Yen	39.96

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