

## OILSEED

21<sup>st</sup> June 2005

- Rapeseed Market Showed Weakness, Soybean Slid Down

### DOMESTIC MARKET COMMENTARY

#### Soybean:

The domestic market opened weak at the futures and traded weakly in the negative side in the spot markets due to technical corrections. The news of increasing uncertainty in the monsoon arrival is giving a support to the market and limiting the downside.

Majority of the traders are still interested in keeping their positions open as the bullishness is still prevailing in the market continues in the market following various contradicting statements regarding the progress of the monsoon in India.

The domestic future market trading started on a weak note and remained range bound for the day.

The Hazir market today also remained weak marginally and remained range bound.

The price of soybean in Kota market was quoted at Rs. 1335 per quintal. In Madhya Pradesh it was between Rs. 1455, in Karnataka it was Rs. 1305-1310 and in Maharashtra it was between Rs. 1300 - 1310.

However, the market is expected to remain firm for the coming days amidst expected increased support from the US markets and growing uncertainty in the monsoon.

#### Rapeseed/Mustard:

A rapeseed market slid down and remained weak, followed the weakness of soybean.

NAFED has offered the purchased mustard seeds to be sold in the open market in Kota and adjoining markets at the rate of Rs. 1550-1600 per quintal. Few traders / mill owners showed some interest at these rates.

The uncertain monsoon in the country is also responsible for the prevailing rising trend in the prices, but as soon as the rain arrives, the market is expected to make a significant downward movement.

Today, the rape oil showed weakness in the spot markets. In the spot markets the prices slipped amidst growing uncertainty in the amount and timing of monsoon.

However, it is expected that the rapeseed will remain firm with slight weakness for the coming days and will follow the soy oil market.

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

Markets	Prices	Arrivals (Bags)
Jaipur	1720	80,000
Alwar	1660	1500
Delhi	1760	1500
Agra	1800	4075
Sri Ganganagar	1560	500
Kota	1530	3000

#### Groundnut

Groundnut slid down and remained weak, followed the weakness of soybean.

The latest seeding report suggest that the area under groundnut farming was 81000 hectare as on June 13<sup>th</sup> against 119000 hectares on the same day last year.

The downward sentiment in the other edible oils is also causing downfall movement in the groundnut oil prices.

The range-bound positive trade in groundnut oil prices in the domestic markets is likely to continue for the coming days.

#### Vayda Quotes

##### Mustard futures as on 21<sup>st</sup> June 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	5-Aug	343.3	342.4	342.4	340.5	-2.7	340.6
Hapur	5-Aug	363.2	362.2	362.2	359.5	-2.8	360.3
Bikaner	5-Aug	339.0	335.0	335.0	335.0	-4	335.0
Hisar	5-Aug	340.4	339.5	339.5	338.5	-1.3	339.1

## CBOT

Soybean futures at the Chicago Board of Trade finished Monday's session on a strong note as the market continued to add risk premium due to dryness issues for the eastern Midwest. Soymeal futures ended higher, keeping pace with the firm tone and is flowing the soyoil and soymeal. Also solid underlying domestic demand propelled prices to new contract highs.

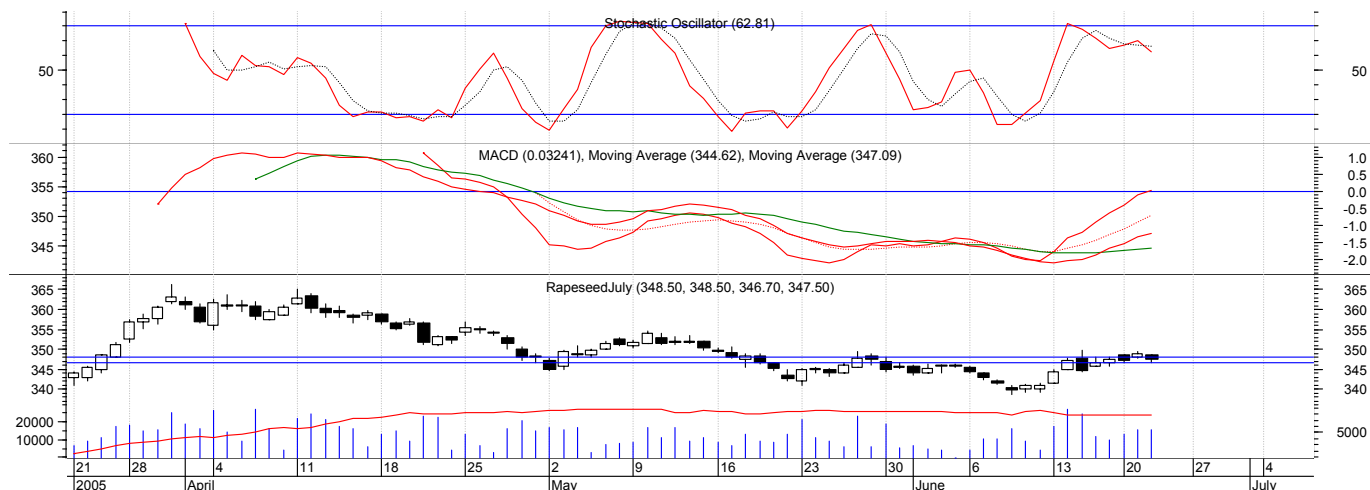
July soybeans ended 15 cents higher at \$7.39 a bushel, November soybeans ended 16 cents higher at \$7.57 1/2, July soymeal settled \$3.40 higher at \$232.40 a short ton, and July soyoil ended 50 points higher at 25.58 cent a pound.

Midwest weather conditions remained the fundamental driver of the market, with forecasts indicating low moisture level in the central and eastern Midwest during the next week, raising enough concern. Rising concerns for potential dryness problems for oilseed production in China and India also provided fundamental support to keep up the bullish sentiments.

Meanwhile, weekly soybean export inspections totaled 8.532 million bushels, up from 7.742 million last week, the U.S. Department of Agriculture reported. This was at the high end of expectations for 5 million to 8 million bushels.

### CBOT Soy oil futures as 20 June 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul '05	25.08	25.44	25.82	25.44	0.5	25.58
Aug '05	25.21	25.36	25.90	25.36	0.47	25.68



## COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

### NCDEX July Contract

Soybean seeds July contract opened on lower side and trade witnessed downward technical correction during today's session of trade.

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

CBOT remains closed on Saturday and Sunday.

## TECHNICAL ANALYSIS

### COMMODITY: MUSTARD SEED

Perspective: Very Short Term

### NCDEX July Contract

Rapeseed July contract opened low and traded on lower side during day's session. The market is expected to move low on the declining support.

**Stochastic Oscillators:** The %D-line looking down in the neutral region indicating weakness in the prices. The % K-line also moving down in the neutral region indicating the weak sentiments in the prices.

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, Rapeseed July's price has **increased 0.06%**, and has ranged from a high of 349.700 to a low of 344.500. The 7-Day MA is moving up above the 14-Day MA is yet not confirming 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 Wednesday. 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 348.00

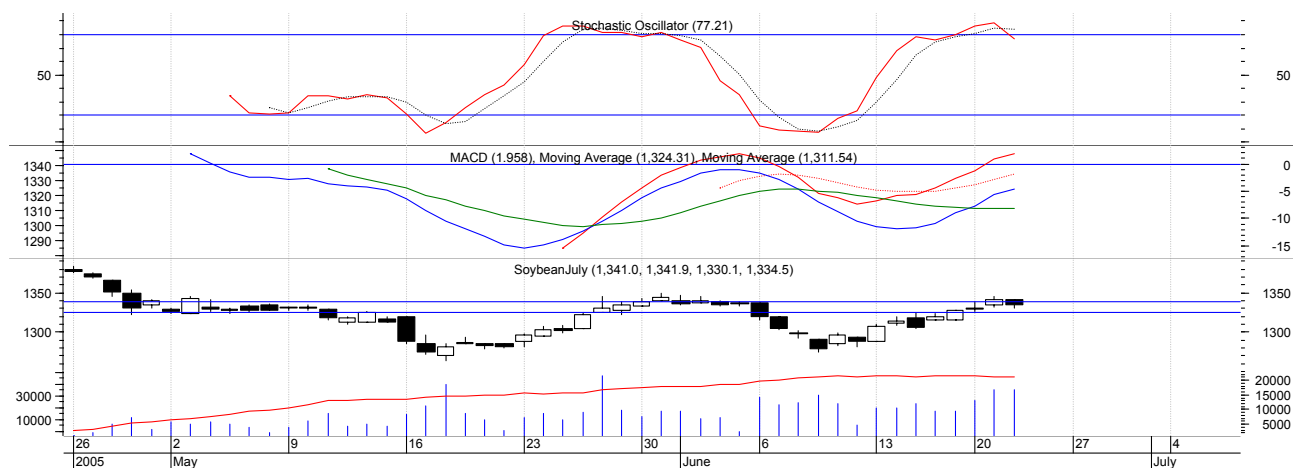
Currently the MACD is **bullish** since it is trading above its signal line. The MACD crossed above its signal line 4 period(s) ago. Since the MACD crossed its moving average, Soybean July's price has **increased 1.19%**, and has ranged from a high of 1,344.800 to a low of 1,315.350. 7-Day MA moving 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 Wednesday. Trade cautiously with an eye on support and resistance levels given below.

### Advisable trade limits:

Support at 1325.00 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 21.06.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.61
Malaysia	Ringgit	11.47
European Union	Euro	52.93
United Kingdom	GBP	79.49
Japan	100 Yen	39.88

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