

OILSEED

14th June 2005

- Rapeseed Market Continued on Higher Side Amidst Increased Buyers Support

*Latest Procurement details of NAFED (24.05.05)

Soybean:

The domestic market continued to improve significantly after the day of mild technical correction on Saturday amidst increased buying support and increasing uncertainty in the monsoon.

The domestic future market trading started on a firm note and continued on further on the higher side for the day amidst increasing buyers' support.

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

The price of soybean in Kota market was quoted at Rs. 1250-1270 per quintal. In Madhya Pradesh it was between Rs. 1440, in Karnataka it was Rs. 1250-1260 and in Maharashtra it was between Rs. 1260.

Overall the market is expected to continue on the higher side for Wednesday 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 on higher side for Wednesday due lack of retail demand.

Status of Price & Supply of the New Crop

Markets	Prices	Arrivals (Lakh Bags)
Jaipur	1710-1715	-
Alwar	1640-1645	0.02
Delhi	1725	0.01
Agra	1745	-
Sri Ganganagar	1510	0.025
Kota	1480-1520	0.035

Groundnut:

Groundnut continued improving significantly at various centres amidst support of the increasing local demand at various centres in southern markets.

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. 2560 per quintal, the bold (60-70 Count) is Rs. 2720 per quintal, the 50-60 count seed is Rs. 2670 and for 40-50 count the rate is Rs. 2280 in Mumbai market. In Gujarat the price varied from Rs. 1440, 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. 1345.

Vayda Quotes

Mustard futures as on 14th June 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	5-Aug	334.80	335.70	339.50	335.70	4.40	339.20
Hapur	5-Aug	353.80	355.00	359.80	355.00	5.40	359.20
Bikaner	5-Jun	330.00	325.00	325.00	325.00	-5.00	325.00
Bikaner	5-Aug	325.80	330.00	330.00	330.00	4.20	330.00
Hisar	5-Aug	333.60	335.00	337.50	334.90	4.10	337.70

CBOT

CBOT Soy Complex Futures Improved on Fears of Tropical Storm Spreading Asian Rust Spores

A little drier than expected in parts of central and western Illinois over the weekend and fears that the tropical storm blew Asian rust spores up into the eastern cornbelt helped support active speculative and fund buying early in the session.

The market established its trading range for the day within the first thirty minutes of trading, with futures quickly spiking to one-week highs. Speculative buying was a featured attraction, as the market remains sensitive to any news of potential crop losses, particularly after the U.S. Department

of Agriculture tightened the domestic and world soybean balance sheets Friday.

Concerns over the spread of the yield-robbing Asian rust fungus continues to add support to prices, as participants can't rule out the fungus spreading from remnants of Tropical Storm Arlene, which traveled as far north as Indiana, Ohio and Michigan.

Talk of a dry weather trend for the next week or two in Illinois added to the bullish tone with the idea that the crops could quickly be back into a stressful condition due to dry subsoil conditions.

Traders look for crop conditions in tonight's weekly progress report to show soybeans near 60-61% in good to excellent condition from 62% last week.

For the weekly export inspections, soybean inspections came in at 7.65 million bushels as compared with trade expectations at 4-9 million bushels. Cumulative shipments have reached 90.5% of the USDA forecast for the season as compared with 89.7% on average for this time of the year.

In soybean pit trades, ABN Amro bought 1,000 July, Cargill Investor Services bought 1,000 July, Fimat bought 800 November, Rand Financial and Refco each bought 400 July and 500 November, and Citigroup bought 500 November. On the sell side, ADM Investor Services sold 400 July and 300 November, Cargill sold 300 July, Term Commodities sold 300 August and 300 November, Citigroup sold 300 July, and RJ O'Brien sold 600 July. Commodity funds were estimated buyers of 5,000 contracts.

The market is expected to trade on the higher side amidst declining support from the export demand and uncertain weather progress.

CBOT Soybean futures as on 13 June 2005 Cents/bushels)

Months	Previous Settle	Open	High	Low	Change	Close
Jul'05	666.2	677.4	687.0	677.4	+14.2	680.4
Aug'05	669.4	680.0	690.4	680.0	+13.6	683.0

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 the day. The market is expected to continue with its upward movement in the coming days as the retail buyers' support is expected to increase 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.

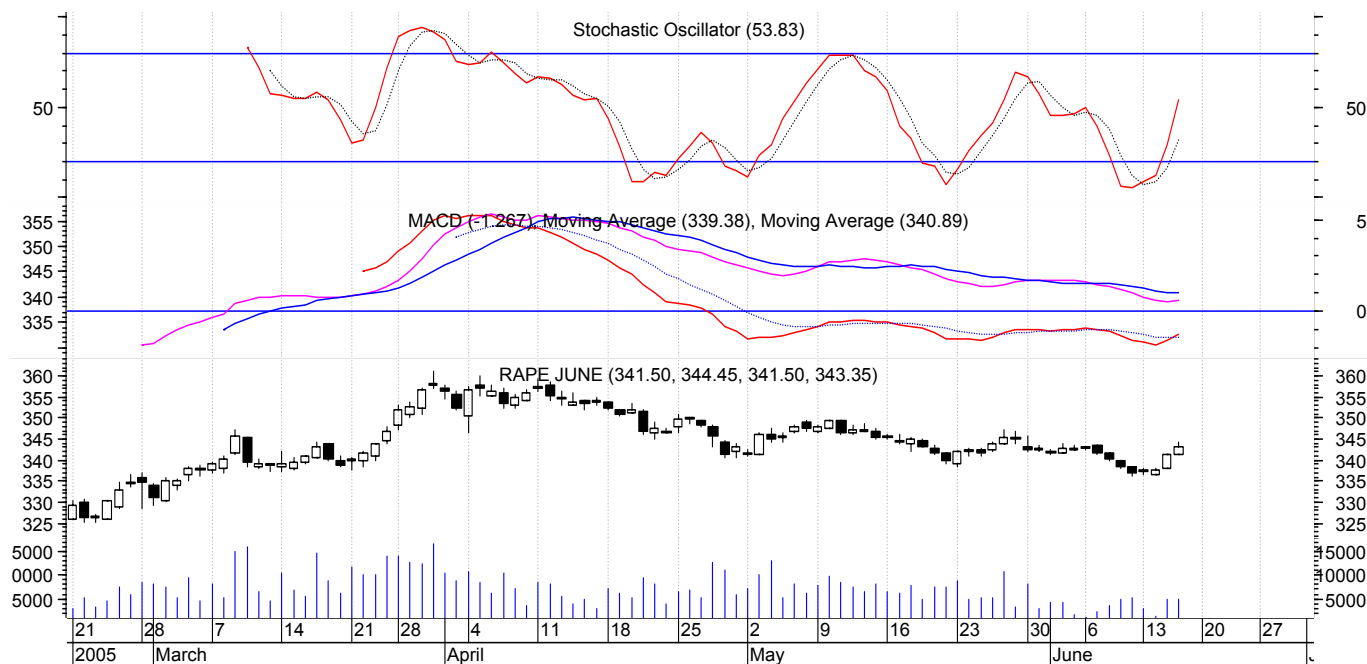
MACD continued up in the negative region indicating the rising strength in the prices. The **7-Day MA** still continued down along with the **14-Day MA** hinting to the existing weakness in the market.

Market advice:

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

Advisable trade limits:

Support at 341.20 and Resistance 346.30



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 day amidst growing

support in the soybean oil futures and uncertain monsoon conditions.

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.

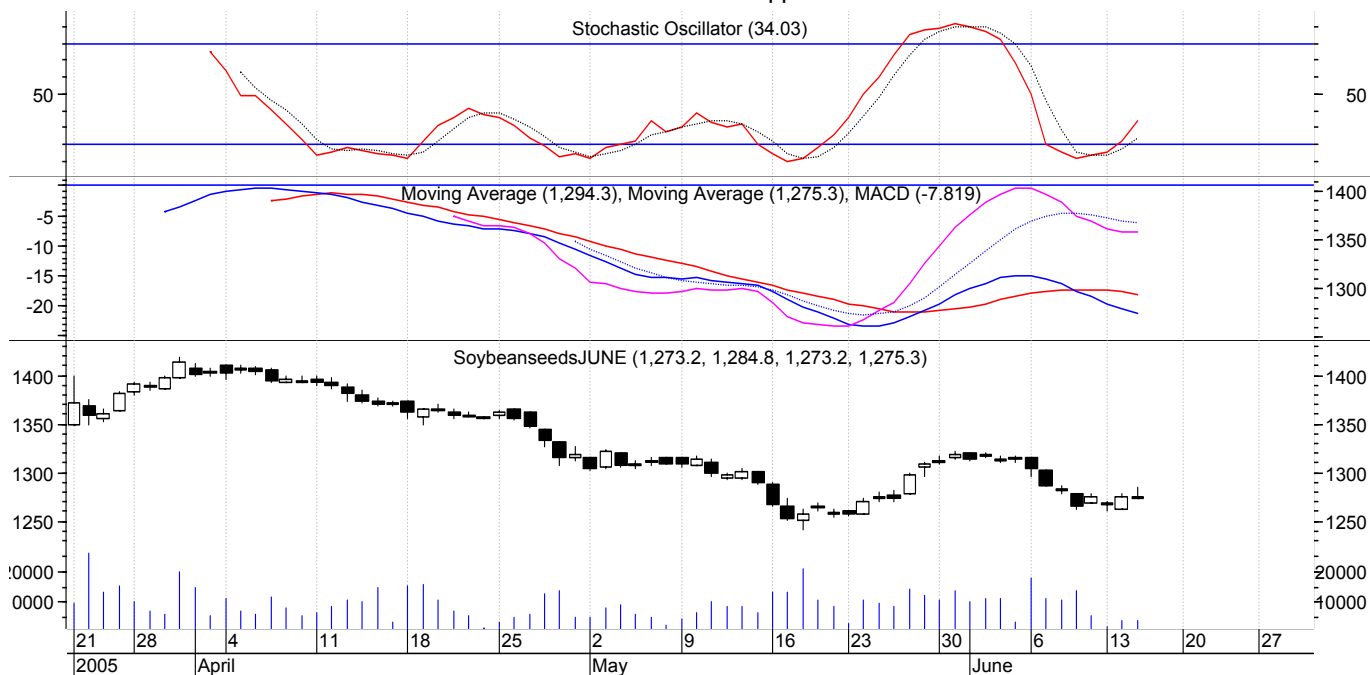
MACD continued further in the negative region, after intersected the **EMA** from below indicating the losing strength in the prices. **7-Day MA** also continued down along with the **14-Day MA** (with declining slope) making a bearish crossover, supporting the weakness in the soybean market.

Market advice:

Market is expected to open steady and trade on the higher side for Wednesday amidst increased retail support. Trade cautiously with an eye on support and resistance levels given below.

Advisable trade limits:

Support at 1267.00 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 14.06.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.65
Malaysia	Ringgit	11.47
European Union	Euro	52.90
United Kingdom	GBP	78.79
Japan	100 Yen	39.91

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