

OILSEED

16th June 2005

- Rapeseed Market Improved Marginally Amidst Support From Uncertain Monsoon

*Latest Procurement details of NAFED (24.05.05)

Soybean:

The domestic market opened sharply up at the futures but traded range bound in the spot markets news of increasing uncertainty in the monsoon amount and arrival and improving support from the international markets.

Majority of the traders are still keeping their positions open as the bullish sentiments still continues in the market following various contradicting statements regarding the progress of the monsoon in India.

The domestic future market trading started on a very firm note but declined marginally after couple of hours.

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. 1270-1290 per quintal. In Madhya Pradesh it was between Rs. 1470, in Karnataka it was Rs. 1270-1275 and in Maharashtra it was between Rs. 1270.

Overall the market is expected to continue on the higher side for Friday amidst continuous increased support from the international as well as retail markets.

Rapeseed/Mustard:

A rapeseed market continued on the positive track amidst increased gains in the soyoil market and rising buying support from the retail traders.

NAFED has offered the purchased mustard seeds to be sold in the open market in Kota and adjoining markets at the rate of Rs. 1600 per quintal, but is finding no takers. The traders / mill owners are waiting for the rates to come in line with the market rates at about 1480 - 1530 per quintal.

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 found increased support form the buyers at major exchanges.

Today the new crop arrival reached 1.25 -1.50 lakh bags in Rajasthan and about 0.45 lakh bags in Madhya Pradesh.

Overall, it is expected that the rape oil will continue trading range bound on higher side for Friday amidst increased support from the soybean oil market.

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 and increasing support from the other edible oil markets.

The latest seeding report suggest that the area under groundnut farming was 81000 hectare as on June 10 against 119000 hectares on the same day last year.

The uncertainty in the demand of the other edible oils is still 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 16th June 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	5-Aug	337.40	339.00	340.10	338.50	1.60	339.00
Hapur	5-Aug	356.60	358.00	360.00	357.90	1.80	358.40
Bikaner	5-Jun	328.00	329.00	329.00	329.00	1.00	329.00
Bikaner	5-Aug	332.00	332.50	332.50	332.50	0.50	332.50
Hisar	5-Aug	335.70	337.50	338.00	336.70	1.20	336.90

CBOT

CBOT Soy Complex Futures improved significantly on declining weather in US and China

The move to a new 1-year peak for July soybeans and new contract highs for November soybeans was triggered by the dry and eventually hot forecast for the Midwest. Lingered worries over the potential for extended dryness in the central Midwest kept speculative buying a featured attraction, with spillover strength from the neighboring soyoil pit adding to the bullish nature of the market.

The DTN weather forecast calls for generally dry weather during the next week across the Midwest. Temperatures will be in a normal to above normal range in the western Midwest (west of the Mississippi River) to normal to below normal values in the eastern Midwest.

Poor weather in China soybeans areas combined with solid technical action has also attracted new buying. On top of the weather situation in the US and China, oil traders are watching the monsoon development, or lack of development, in India.

A crop failure for the oilseed crop in India can have a major impact on world edible oil prices with India already the world's largest importer.

Oil received an additional boost from President Bush indicating that alternative fuels such as bio-diesel should be used more actively in the US Energy Bill.

A lack of rain for the next week is expected to help improve crop conditions in the western cornbelt but areas of Illinois will need rain in 5-7 days to avoid stressful growing conditions; especially if temperatures heat up.

For the weekly export sales report, released before the opening, traders are looking for soybean sales near 50,000-150,000 tonnes as compared with 236,100 tonnes last week. Meal sales are expected near 40,000-80,000 tonnes and oil sales are expected near 2,000-6,000 tonnes.

In soybean trades, ADM Investor Services, Citigroup, Fimat, Goldenberg Hehmyer, Man Financial, Prudential Financial, Rand Financial and UBS Securities each bought 500 November Calyon Financial bought 800 November, Cargill Investor Services bought 500 July and 500 November, RJ O'Brien bought 1,000 July. On the sell side, ADM Investor Services sold 1,000 November, Cargill sold

1,000 July and 1,000 September, Bunge Chicago sold 500 November, Goldenberg Hehmyer sold 300 July, RJ O'Brien sold 500 July and 400 November, and Refco sold 1,000 November. Commodity funds were estimated buyers of 12,000 contracts.

The market is expected to continue on the positive side amidst renewed support from the declining weather conditions in US as well as China.

CBOT Soybean futures as on 15 June 2005 Cents/bushels

Months	Previous Settle	Open	High	Low	Change	Close
Jul'05	689.6	699.0	705.0	696.0	+12.8	702.4
Aug'05	693.2	703.0	709.0	699.0	+13.2	706.4

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX June Contract

Rapeseed June contract opened on a on the positive note and traded range bound during day's session today. 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 neutral region indicating stability in the prices. The % K-line also moved higher in the neutral region supporting the rising sentiments in the prices.

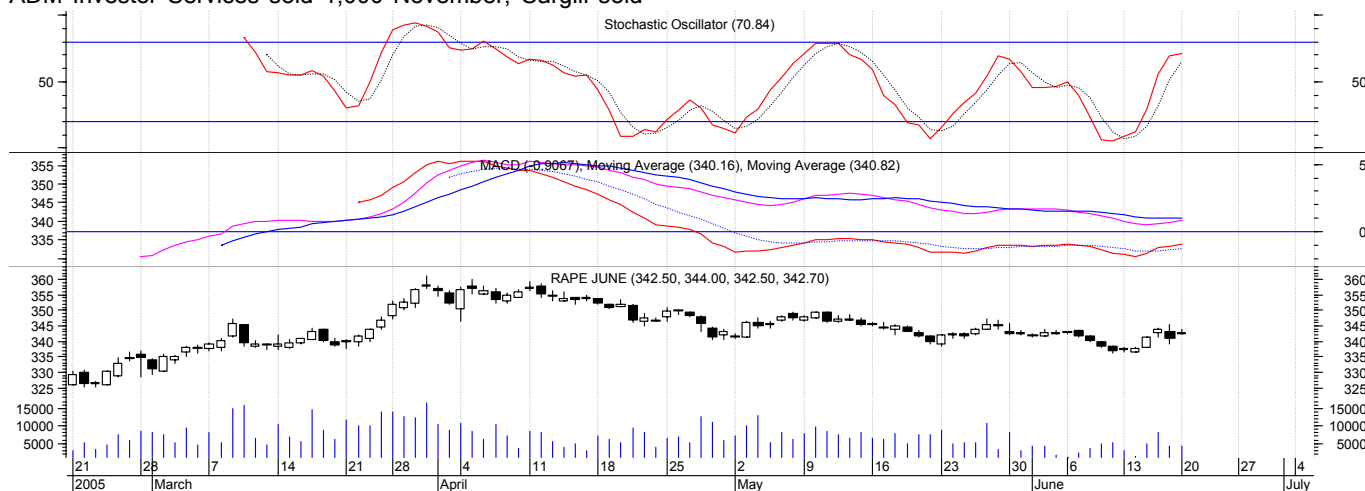
MACD continued up in the negative region indicating the rising strength in the prices. The **7-Day MA** turned up indicating the changing sentiment but the **14-Day MA** is still hinting to the existing weakness in the market.

Market advice:

Trade is expected to open steady and trade range bound for Friday. Trade cautiously with an eye on support and resistance level given below. Avoid new entry or trade with intra-day outlook.

Advisable trade limits:

Support at 341.70 and Resistance 343.90



COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX June Contract

Soybean seeds June contract opened marginally high and traded further high with range bound movements during today's session of trade.

Stochastic Oscillators: The %K line continued up in 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 started looking up in the negative region, and moving towards intersecting but below the **EMA** indicating

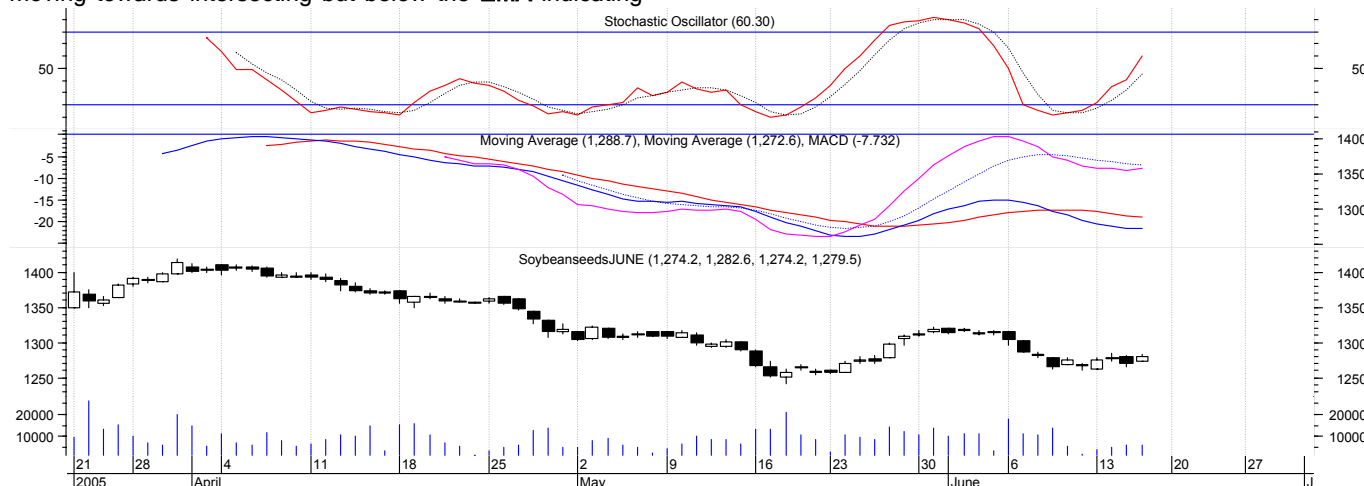
the marginal strength in the prices. **7-Day MA** also continued down along with the **14-Day MA** (with declining slope) making a bearish crossover, supporting the weakness in the soybean market.

Market advice:

Market is expected to open firm and trade range bound for Friday amidst increased retail support. Trade cautiously with an eye on support and resistance levels given below.

Advisable trade limits:

Support at 1274.00 and Resistance at 1288.00



*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

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.61
Malaysia	Ringgit	11.49
European Union	Euro	52.69
United Kingdom	GBP	79.42
Japan	100 Yen	39.90

Forex Rates

(As on 16.06.2005)

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