

OILSEED

4th June 2005

- Rapeseed Market Declined Marginally on Uncertain Demand & Increased Supply

*Latest Procurement details of NAFED (24.05.05)

Soybean:

The movement in the domestic market continued on the lower side amidst increased uncertainty in the buyer's support.

The US market is expected to trade unsteady amidst increased uncertainty in weather conditions and declining the export demand from the global market.

The domestic future market trading started on a steady note but continued on the lower side for the day amidst declining support from the retail demand. The NBOT exchange showed unsteady movement in the prices and finally closed at a lower level of 374.00 (Down by Rs. 1.20).

The Hazir market today traded range bound on the lower side amidst continued lack of support from the increased uncertainty in the arrival of the monsoon in the country and consistently retail demand.

The price of soybean in Kota market was quoted at Rs. 1260-1265 per quintal. In Madhya Pradesh it was between Rs. 1450, in Karnataka it was Rs. 1270-1275 and in Maharashtra it was between Rs. 1240.

Overall the market demand situation for the soybean continues to be highly volatile and is expected to continue

range bound for Monday amidst uncertain support from the weather predictions.

Rapeseed/Mustard:

The slightly indecisive tone of the market that is prevailing for the past few days continued the same way today with increased weakness.

Lack of retail demand is still continuing to pressurize the spot market prices.

Adding to the weakness in the prices the increasing arrival in the major producing states of Rajasthan and MP owing to renewed purchasing by NAFED.

Today, the rape oil found no support from the buyers at major exchanges. The selling activities weakened giving rise to the indecisive sentiments. This provided marginal support to the rape oil prices.

The arrival of the old and new stock rapeseed in the market in Rajasthan and Madhya Pradesh market is witnessing a continuous decline. Today the new crop reached 1.10 lakh bags in Rajasthan and about 0.35 lakh bags in Madhya Pradesh.

Overall, it is expected that the rape oil may recover marginally on Monday due renewed buying. However, the trend is likely to remain weak.

Status of Price & Supply of the New Crop

Markets	Prices	Arrivals (Lakh Bags)
Jaipur	1670	-
Alwar	1610	0.03
Delhi	1722	0.015
Agra	173	-
Sri Ganganagar	151-1520	0.05
Kota	1450-1475	0.15

Groundnut:

Groundnut maintained the range bound in the major centres. Lower buying support put weight on the groundnut oil prices.

Summer season is putting continuous pressure on the groundnut prices.

The range-bound nature of the groundnut prices in the domestic markets is likely to continue tomorrow also amidst lack of fresh buying support.

The rate of the Export Quality (80-90 Count) groundnut is Rs. 2560 per quintal, the bold (60-70 Count) is Rs. 2640 per quintal, the 50-60 count seed is Rs. 2615 and for 40-50 count the rate is Rs. 2280 in Mumbai market. In Gujarat the price varied from Rs. 1450, in Tamil Nadu it was between Rs. 1350 in Rajasthan it was between Rs. 1340, in Karnataka it was between Rs. 1470 and in Andhra Pradesh it was Rs. 1340.

Vayda Quotes

Mustard futures as on 04 June 2005

(Rs/20kg)

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	5-Aug	337.60	337.80	338.30	337.70	-0.30	337.30
Hapur	5-Aug	356.65	356.80	357.20	356.50	-0.05	356.60
Bikaner	5-Jun	335.00	335.00	335.00	335.00	0.00	335.00
Bikaner	5-Aug	339.00	339.00	339.00	339.00	0.00	339.00
Hisar	5-Aug	336.70	336.80	337.00	336.60	-0.20	336.50

CBOT

CBOT Soy Complex Improved on Encouraging Weekly Export Sales Report

The weather models were a little drier for the weekend for the eastern cornbelt, which helped support the higher trade early and traders are likely to remain hyper sensitive to weather developments.

The strength of the market was tied to private weather forecasts calling for less rain than previously forecast in the eastern Midwest and the hesitancy of bearish traders to press the market ahead of Monday's first soybean crop condition ratings for 2005.

Talk of a weaker short-term demand trend from China helped to limit the gains.

Weekly export sales came in at 208,500 tonnes as compared with trade expectations at 75,000-200,000

tonnes. Cumulative sales for the old crop season have reached 97.7% of the USDA forecast for the year as compared with 97% on average for this time of the year.

Meal sales were 54,700 tonnes from expectations near 40,000-80,000 tonnes and oil sales were 2500 tonnes vs. expectations at 2,000-6,000 tonnes.

It is tough to pencil in a profit from the transaction but the current trends in US meal prices, South American weakness and cheap freight suggest this issue will not go away quickly.

In soybean pit trades, Cargill Investor Services bought 300 July, Fimat and Man Financial each bought 700 July, UBS Securities bought 400 July. On the sell side, Refco sold 1,000 November. Commodity funds were estimated buyers of 3,500 lots.

The market is expected to be range bound on the lower side amidst expectation of good and favourable crop weather in the coming week.

CBOT Soybean futures as on 03 June 2005

(Cents/bushels)

Months	Previous Settle	Open	High	Low	Change	Close
Jul '05	668.4	666.6	679.4	666.6	+6.8	675.2
Aug '05	670.0	668.6	681.0	668.6	+7.2	677.2

CBOT remains closed on **Saturday** and **Sunday**.

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX June Contract

Rapeseed June contract opened on a on the lower side and continued range bound for most the day. The market is expected to embark on the downtrend in the coming days as the retail demand is declining continuously.

Stochastic Oscillators: The %D-line continued lower in the neutral region indicating rising diminishing in the prices. The % K-line moved up in the neutral region indicating the steadiness in the prices.

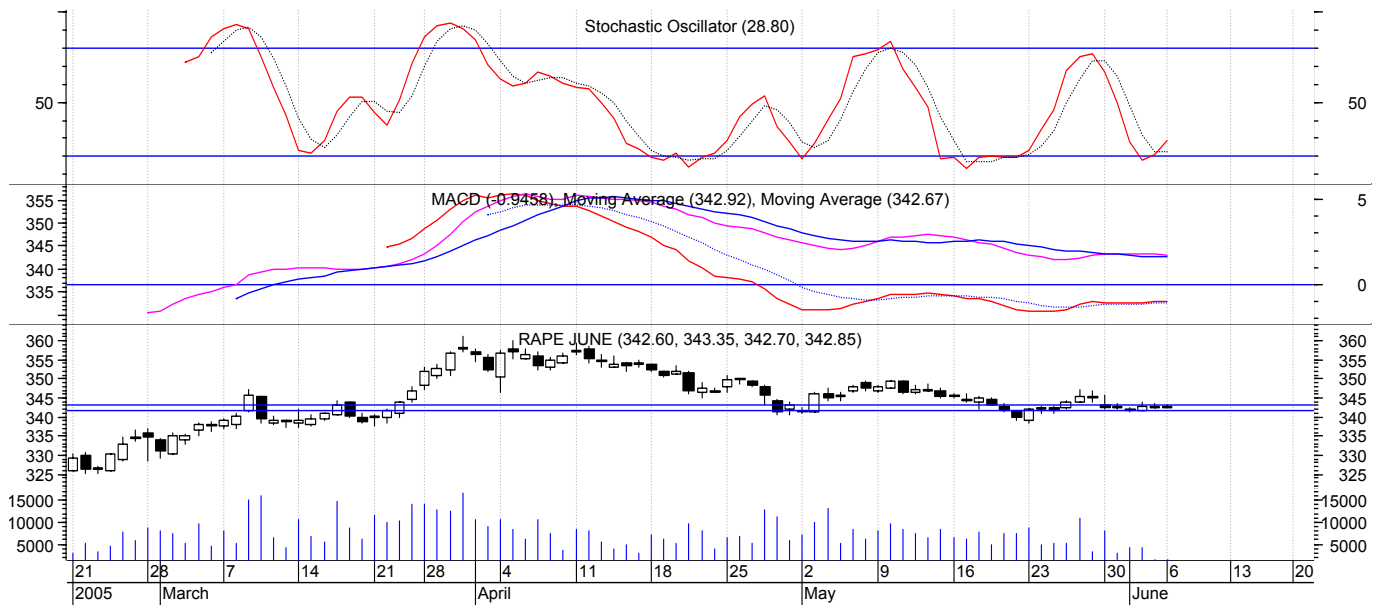
MACD continued downward in the negative region indicating the declining strength in the prices. The **7-Day MA** moved down irrespective of the **14-Day MA** hinting to the indecisive sentiment in the market.

Market advice:

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

Advisable trade limits:

Support at 340.20 and Resistance 343.30



COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX June Contract

Soybean seeds June contract opened on a higher side but traded range bound for the day amidst uncertain demand at the domestic end and the indecisive international markets.

Stochastic Oscillators: The %K line dipped marginally in neutral region indicating the declining strength in the domestic prices. The % D-line also moved marginally down in the oversold region hinting to the loosing strength of the prices. The market is expected to open on the range bound side but the downward movement cannot be denied.

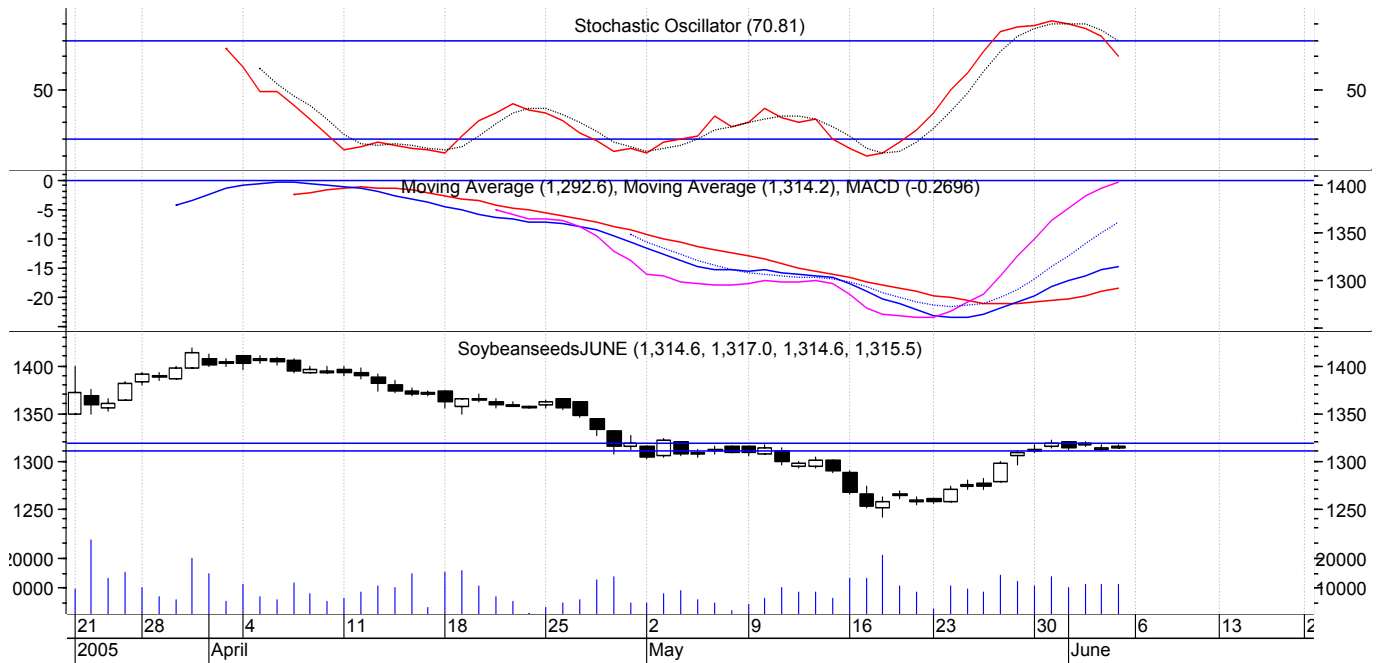
MACD continued up in the negative region after intersected the **EMA** from below indicating the rising strength in the prices. **7-Day MA** also moved up along with the **14-Day MA** supporting the rising strength in the soybean market.

Market advice:

Market is expected to open steady but trade range bound on the lower side for Monday amidst uncertain demand from the retail end. Trade cautiously with an eye on support and resistance levels given below.

Advisable trade limits:

Support at 1308.00 and Resistance at 1319.00



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 04.06.2005)**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.62
Malaysia	Ringgit	11.48
European Union	Euro	53.33
United Kingdom	GBP	79.10
Japan	100 Yen	40.50

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