

OILSEED

01st July 2005

- Rapeseed Market Improved Further on Increasing Retail Demand

DOMESTIC MARKET COMMENTARY

Soybean:

The domestic market opened range bound but continued so amidst indecisive sentiments at the Indore NBOT futures and declining support from the international markets.

The domestic future market trading started on a negative note but traded range bound for the whole day amidst declining support from the retail as well as the international markets. The international market is also supporting the up trend in the market for long run, but the status and progress of Indian monsoon is dominating over the international indicators keeping the market range bound. The NCDEX (July Contract) exchange closed at Rs. 1298.45 (Down by Rs. 0.45).

The Hazir market today improved marginally and owing to the increasing retail demand.

The price of soybean in Kota market was quoted at Rs. 1270 - 1275 per quintal. In Madhya Pradesh it was Rs. 1460-1470, in Karnataka it was Rs. 1280 and in Maharashtra it was between Rs. 1280-1285.

The market is expected to continue trading higher for Saturday amidst news of smooth monsoon progress.

Rapeseed/Mustard:

A rapeseed market improved marginally amidst support from the soybean oil futures and growing uncertainty in the supply.

The smooth progress of the monsoon in the parts of Haryana, Punjab and Rajasthan pulled down the market.

Today, the rape oil found marginal support from the buyers at major exchanges at the start of the trade and it continued so amidst increasing uncertainty as the day progressed. In the spot markets the prices continued on the higher side amidst increased uncertainty in the other edible oil markets.

Overall, it is expected that the rape oil will continue trading range bound on higher side for Saturday as the retail demand is expected to continue increasing.

Status of Price & Supply of the New Crop

Markets	Prices	Arrivals (Bags)
Jaipur	1730-1735	-
Alwar	1670	2500
Delhi	1760	1500
Agra	1800	-
Sri Ganganagar	1540--1550	700
Kota	1515-1540	2500

Groundnut

Groundnut today improved significantly at various centres due to unsteady and low local demand and possibility of declining crop prospects in lieu of the floods in Gujarat.

The domestic demand is not expected to improve significantly in the coming days amidst growing uncertainty in the other edible oil markets.

The range-bound positive trade in groundnut oil prices is expected to continue in the coming days amidst unsteady retail demand and smoothly advancing monsoon.

The rate of the Export Quality (80-90 Count) groundnut is Rs. 2595 per quintal, the bold (60-70 Count) is Rs. 2850 per quintal, the 50-60 count seed is Rs. 2800 and for 40-50 count the rate is Rs. 2285 in Mumbai market. In Gujarat the price varied from Rs. 1480, in Tamil Nadu it was between Rs. 1340-1350 in Rajasthan it was between Rs. 1360-1370, in Karnataka it was between Rs. 1470-1480 and in Andhra Pradesh it was Rs. 1400.

Vayda Quotes

Mustard futures as on 01st July 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	5-Aug	340.70	340.60	342.00	340.60	+1.30	342.00
Hapur	5-Aug	360.50	360.50	362.40	360.50	+1.50	362.00
Bikaner	5-Aug	337.50	337.50	337.50	337.50	+0.00	337.50
Hisar	5-Aug	340.20	340.30	340.80	340.30	+0.20	340.40

CBOT

CBOT Soy Dipped Marginally Following Rains In Major Growing Areas

The USDA report news and the export sales news was supportive to the market this morning but rains moving across northern Illinois and more rain in the forecast was enough to keep speculators in a long liquidation mode.

The USDA pegged planted acreage for soybeans at 73.3 million acres as compared with trade expectations at 73.1 million acres (range 72.5-73.5) and compared with the March estimate at 73.9 million acres. Grain Stocks for June 1st were pegged at 699.64 million bushels from trade expectations at 715 million bushels (range 675-750) and compared with 411 million last year.

Weekly US export sales came in at 344,500 tonnes for soybeans from trade expectations at 50,000-100,000 tonnes. Cumulative sales have reached 98.7% of the USDA

forecast for the year as compared with 100.4% on average for this time of the year.

Meal sales were 188,600 tonnes from 35,000-70,000 tonnes expected. Cumulative sales have reached 98.5% of the USDA forecast for the year as compared with 90.1% on average for this time of the year. Oil sales were 5900 tonnes from 2,000-6,000 tonnes expected.

Deliveries against July soybeans on first notice day totaled 484 contracts from expectations for 200-400. There were no deliveries for meal or oil. Support for November soybeans comes in at 656 1/2 with 676 and 689 as resistance.

The US soybean is expected to continue marginally higher on amidst expected support from the uncertain weather conditions.

CBOT Soy oil futures as 30 June 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul'05	672.0	657.4	664.4	648.0	-20.4	651.6
Aug'05	676.4	659.0	669.0	651.4	-20.4	656.0

CBOT remains closed on Saturday and Sunday.

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX July Contract

Rapeseed July contract opened higher and continued range bound on the higher side in day's session. The market is expected to move range bound in the positive side amidst expected support from the other edible oils.

Stochastic Oscillators: The %D-line continued up in the neutral region hinting to increasing strength in the prices in the prices. The % K-line also continued up in the neutral region indicating the growing support for the prices.

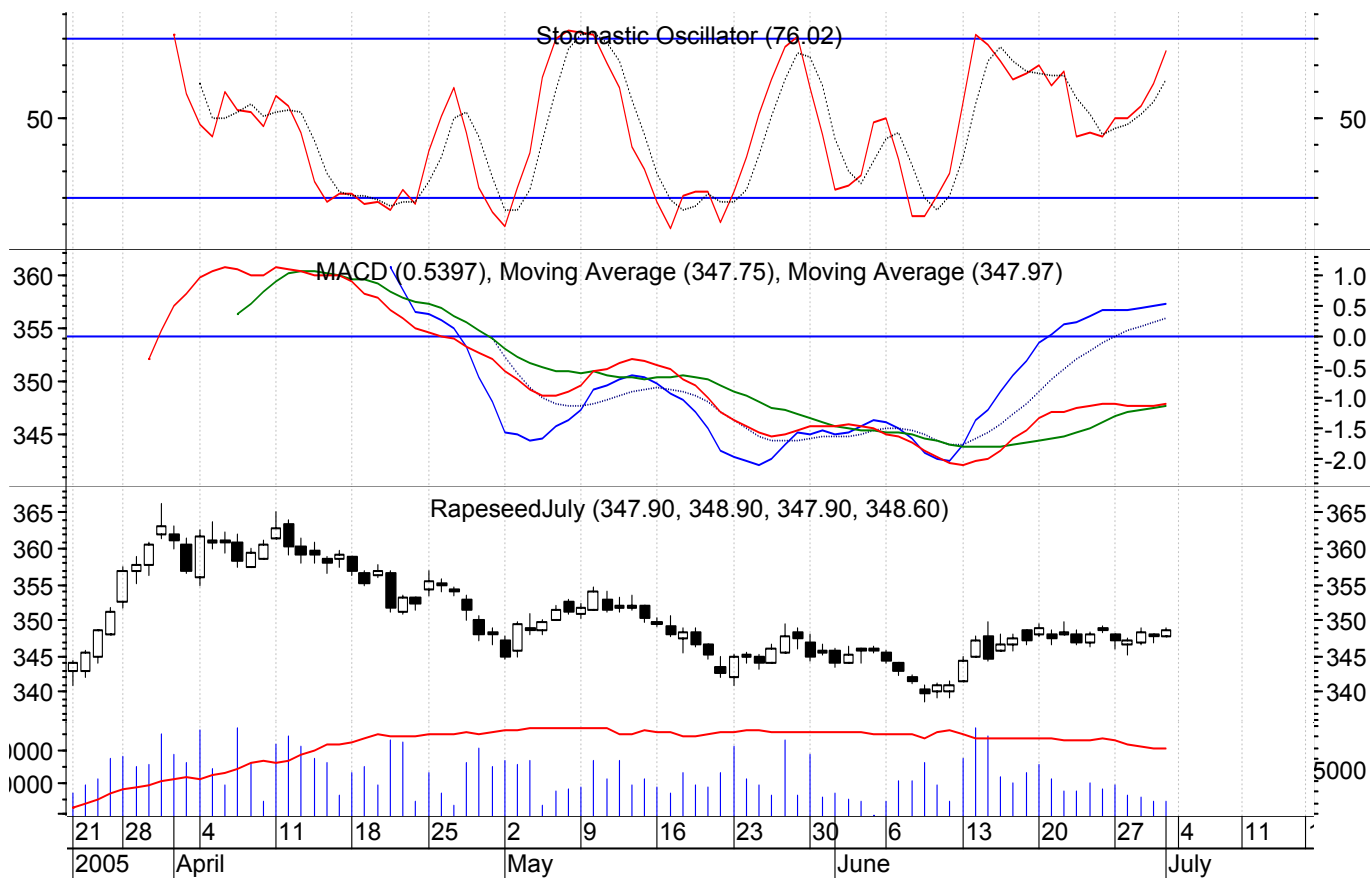
The MACD is not in an Overbought/Oversold range. Currently the MACD is bullish since it is trading above its signal line. The MACD crossed above its signal line 15 period(s) ago. Since the MACD crossed its moving average, Rapeseed July's price has increased 0.37% and has ranged from a high of 349.70 to a low of 344.50. The 7-Day MA moved marginally up along with the 14-Day MA hinting to the improving sentiment in the market.

Market advice:

Trade is expected to open steady and trade range bound on the higher side for Saturday. Trade cautiously with an eye on support and resistance level given below. Can go short for short-term and trade with intra-day outlook.

Advisable trade limits:

Support at 347.50 and Resistance 349.80



COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX July Contract

Soybean seed July contract opened on the positive side but continued range bound for the day following the positive development in the monsoon rains and uncertain international markets.

Stochastic Oscillators: The %K line continued up in the neutral region indicating the growing strength in the domestic prices. The % D-line also continued up in the neutral region hinting to the improving sentiments in the market.

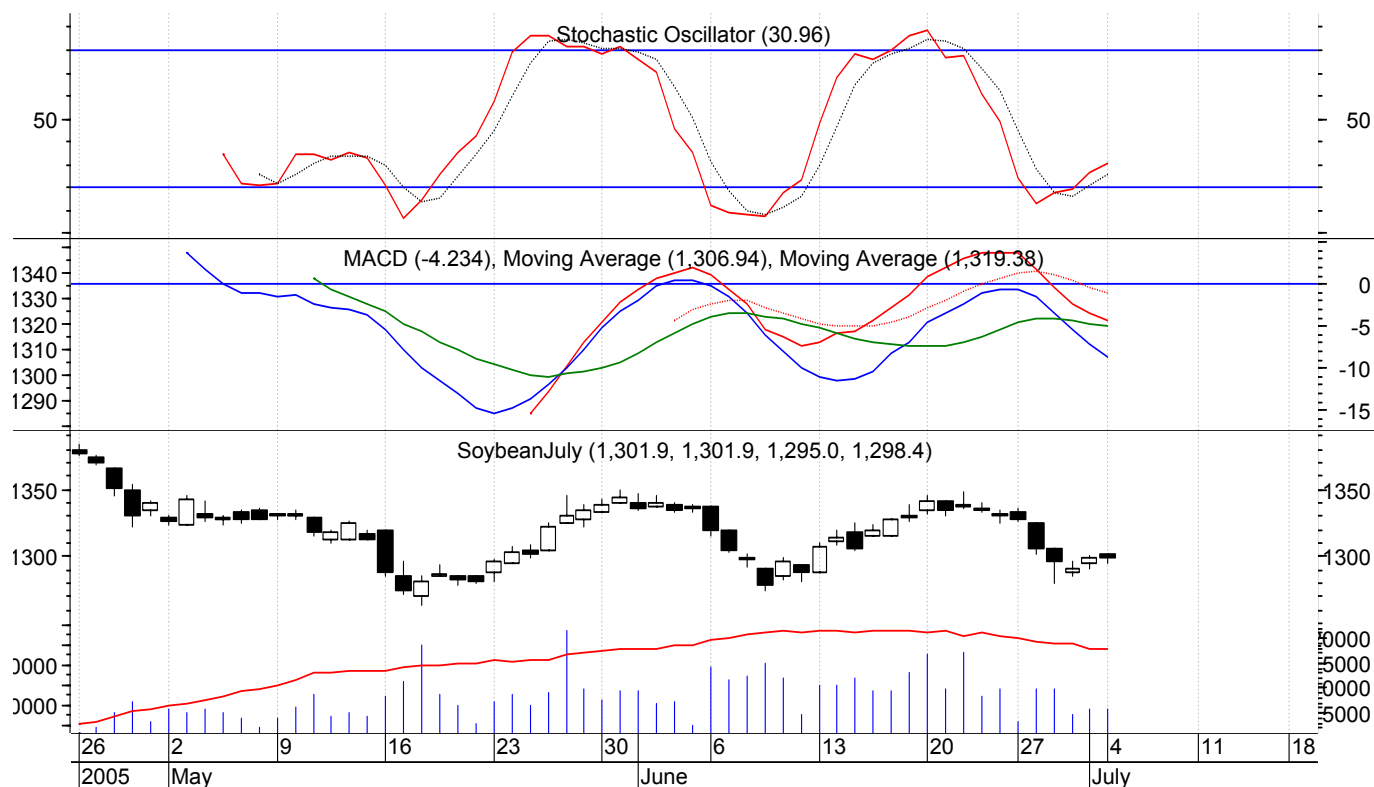
Currently the MACD is bearish since it is trading below its signal line. The MACD crossed below its signal line 3 period(s) ago. Since the MACD crossed its moving average, Soybean July's price has increased 0.21% and has ranged from a high of 1,305.450 to a low of 1,280.000. The 7-Day MA continued lower showing the declining strength in the markets along with the 14-Day MA.

Market advice:

Market is expected to open range bound but trade range bound on the higher side for Saturday. Trade cautiously with an eye on support and resistance levels given below.

Advisable trade limits:

Support at 1295.00 and Resistance at 1313.00



Forex Rates

(As on 01.07.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.53
Malaysia	Ringgit	11.47
European Union	Euro	52.38
United Kingdom	GBP	77.59
Japan	100 Yen	39.19

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