

OILSEED

13th July 2005

- Rapeseed Market Improved Significantly on Continuing Buyer's Support

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX July Contract

Rapeseed July contract opened firm and traded on the higher for most of the day. The market is expected to open steady but trade further in the positive territory.

Stochastic Oscillators: The %K - line turned sharply up in the neutral region making a bullish cross over of the % D-line indicating to the rising strength in the prices.

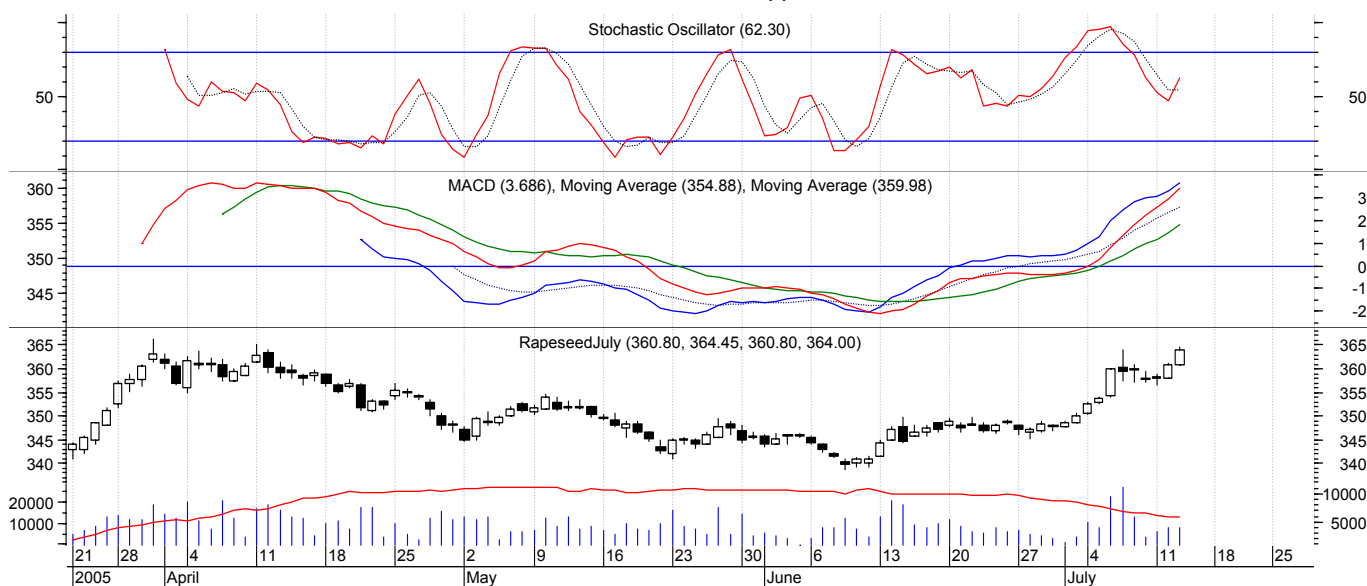
Currently the MACD continues to be bullish since it is trading above its signal line. The MACD crossed above its signal line 25 period(s) ago. Since the MACD crossed its moving average, Rapeseed July's price has increased 4.81% and has ranged from a high of 364.45 to a low of 344.50. The 7-Day MA is still moving up along with the 14-Day MA supporting the rising strength in the market prices.

Market advice:

Trade is expected to open and trade range bound on the higher side for Thursday. Go long with short as well as long term outlook.

Advisable trade limits:

Support at 361.50 and Resistance 366.50



COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX July Contract

Soybean seed July contract opened range bound but continued up for most of the day amidst increased support from the buyers in the market and declining crop sowing report.

Stochastic Oscillators: The %K turned up along with the % D-line in the neutral region indicating the increasing strength in the domestic prices.

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

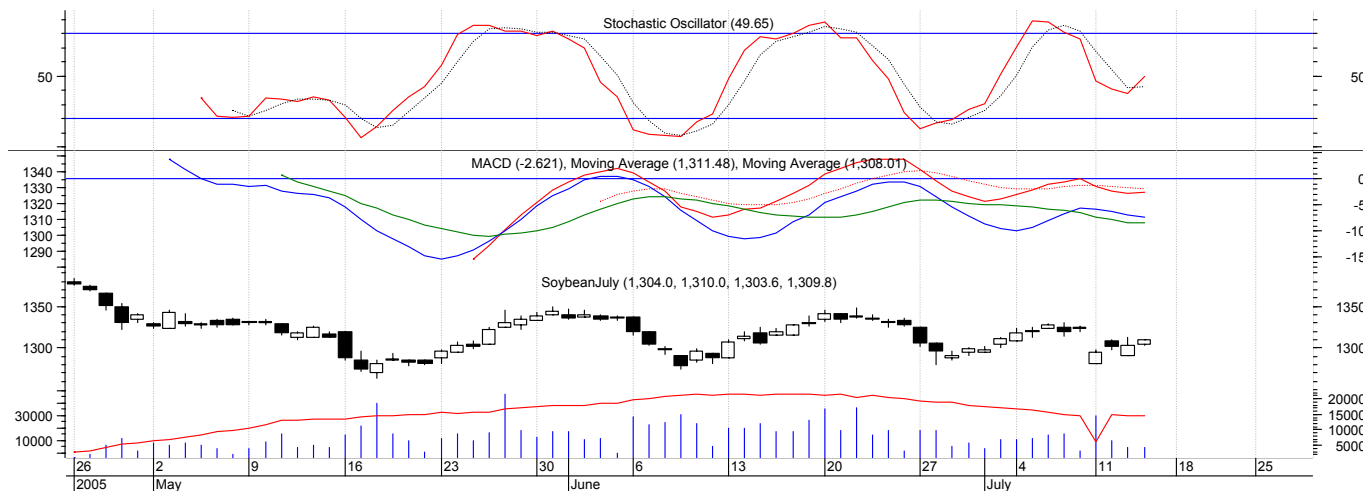
average, Soybean July's price has increased 1.15% and has ranged from a high of 1,312.00 to a low of 1,281.00. The 14-Day MA continued up showing the improving sentiments in the markets but the 7-Day MA is hinting to the existing unsteadiness in the market.

Market advice:

Market is expected to open and trade range bound for the day but trade marginally lower towards the end session on Thursday. Trade cautiously with an eye on support and resistance levels given below.

Advisable trade limits:

Support at 1287.00 and Resistance at 1317.00



DOMESTIC MARKET COMMENTARY

Soybean:

The domestic market opened range bound continued further higher side for the first few hours but witnessed mild decline towards the end of the day amidst increasing uncertainty. The lack of retail demand is not helping the buyers support to come up in a large way at the futures.

The international market improved marginally at the CBOT amidst wide spread uncertainty in the weather caused by the Dennis Hurricane and the following Emily Storm, which is reported to have caused wide spread damage in the soybean growing areas. The situation of the international market is expected continue unsteady amidst increasing uncertainty in the weather. The long term prospects in the US market is still expected to be bullish as the warm weather is predicted in the weekend as well as the starting days of the next week. At the time of closure the NCDEX July Contract was at Rs. 1309.80 (UP by Rs. 6.55).

The Hazir market traded range bound in the positive region amidst uncertain sentiments at the futures and the pressure of deliveries at Indore.

The price of soybean in Kota market was quoted at Rs. 1340-1345 per quintal. In Madhya Pradesh it was Rs. 1460, in Karnataka it was Rs. 1265 and in Maharashtra it was between Rs. 1280.

The market is expected to open steady for Thursday but trade unsteady as the day progresses.

Rapeseed/Mustard:

The rapeseed market today found increased support at the futures in the start of the trade amidst increased buying and profit coverings but declined marginally towards the end of the day amidst increased uncertainty in the edible oil markets.

The traders are still expressing their concern over the declining demand in the retail market. It is accessed that they have enough stock for the coming couple of week and till they are not interested in entering the market is a big way.

The traders are also keeping their fingers crossed over the next move of NAFED whose domestic tender is to be released tomorrow. The traders are expecting the quoted rates for Mustard sale to be around Rs.1700 to 1750 per quintal. Any rate below the expected level would result in loss to NAFED and in that case the market is expected to become more uncertain. As per the latest developments on

this front, the traders are willing to offer prices between Rs. 1550 to 1600 per quintal. The meeting between the traders and NAFED is still continuing and the decision is expected to come up late in the evening or tomorrow morning.

Today, the rapeseed found increased support from the buyers at major exchanges amidst the unsteady progress of monsoon and declining planting progress in major growing areas. In the spot markets the prices moved range bound amidst increasing uncertainty.

Today the new crop arrival reached 0.25-0.30 lakh bags in Rajasthan and about 0.10 lakh bags in Madhya Pradesh.

The rapeseed market is expected to trade on higher side for Thursday as the buyers' support is expected to be on the rise further.

Status of Price & Supply of the New Crop

Markets	Prices	Arrivals (Bags)
Jaipur	1805	-
Alwar	1700-1710	600-700
Delhi	1810	1000
Agra	1840	-
Sri Ganganagar	1560-1570	700
Kota	1570-1600	1500

Groundnut

Groundnut today improved significantly at various centres including Gujarat owing increasing uncertainty in the other edible oil markets and increasing retail demand. The Gujarat market is still maintaining the high price amidst concerns of the adversity of flood, which has hampered effective supply line to different markets.

The progress of the current monsoon is the main cause of the increase in the prices.

The domestic market is expected to continue trading range bound on the higher side in the coming days amidst growing uncertainty in the cultivation of the new crop.

The rate of the Export Quality (80-90 Count) groundnut is Rs. 2600 per quintal, the bold (60-70 Count) is Rs. 2890 per quintal, the 50-60 count seed is Rs. 2820 and for 40-50 count the rate is Rs. 2310 in Mumbai market.

Vayda Quotes

Mustard futures as on 13th July 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	5-Aug	348.70	349.25	350.00	348.40	+0.20	348.90
Hapur	5-Aug	370.30	370.50	372.40	370.00	+0.60	370.90
Bikaner	5-Aug	339.00	339.50	339.50	339.50	+0.50	339.50
Hisar	5-Aug	345.80	346.10	347.10	345.70	+0.20	346.00

CBOT

CBOT Soy futures Up Amidst Reports of Declining Production and Uncertain Weather

Chicago Board of Trade soybean futures ended firmly Tuesday, closing at session highs as weather uncertainties and supportive underlying fundamental outlooks bolstered bullish enthusiasm.

The USDA data was mostly neutral against trade expectations and the market focus quickly shifted to the weather. The DTN Meteorlogix weather forecast calls for widespread thunderstorms during the next 24 hours in the eastern Midwest. Southern and eastern Illinois east to Ohio is seen experiencing the heaviest rains, while the remainder of the region will have rains of less than an inch. After Thursday, rainfall Probability is expected to decline dramatically for this area.

Reports that the northern 1/3rd of Illinois is not receiving much relief from the drought and ideas that the hurricane rains may also contain Asia rust spores supported the sharply higher close and close near the highs of the day. Much of eastern and southern Illinois is expected to receive at least 1 inch of rain from the hurricane remnants and areas of northern and western Illinois look to receive at least 1/4 to 3/4 inches.

The USDA pegged ending stocks for the 2005/2006 season at 210 million bushels as compared with the average trade estimate of 195 million bushels (range 142-255) and 255 million from last month's report. Ideas that yield may eventually be revised lower for the surveyed reports in the future helped to trigger the higher opening call.

Old crop ending stocks were revised to 290 million bushels from 320 last month and total usage was revised higher for the coming season to 2.973 billion bushels, up 9 million from last months forecast.

World ending stocks for the 2004/2005 season were revised lower to 45.08 million tonnes from 47.16 million tonnes last month and ending stocks for the 2005/2006 season are pegged at 50.7 million from 51.99 million last month.

The US soybean is expected to continue marginally range bound on the positive side amidst expected support from uncertain weather predictions.

CBOT Soy oil futures as 12 July 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul'05	688.0	687.0	698.4	675.0	+10.4	698.4
Aug'05	690.0	693.2	702.0	679.2	+11.2	701.2

CBOT remains closed on Saturday and Sunday.

South American Soybean Futures Improved Marginally on Support From Exports

The USDA news this morning should set the tone for the market today, but overnight rains into central Illinois could be enough to ease crop stress at least for a short while.

The northern third of the state, which is the driest, may receive less than 1/2 inch of rain from the hurricane, so producers are hoping for scattered thunderstorms on Wednesday or more rain next week to help alleviate a significant shortfall of moisture to the region.

The weekly crop progress report showed the US crop with 54% in good to excellent condition, down 4% from last week as compared with 61% as the 15-year average for this time of the year. Crops in poor to very poor condition reached 16% from 12% last week and 9% as the 15-year average. That is the highest reading in the past 15 years and matches 1993. Illinois crops were rated 16% good to excellent and 41% poor to very poor.

Taiwan is tendering for 40,000-60,000 tonnes of US or Brazilian soybeans.

While the southern half of Illinois may receive 1-4 inches of rain from the hurricane, the northern half looks to receive 1/4 to 1 inch. The region dries out by late Thursday and heats up into the weekend with a high of 96 in the forecast for Chicago on Sunday.

The Latin American soybean market is expected to trading range bound amidst continuing concerns over the declining crop weather in US.

Forex Rates (As on 13.07.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.52
Malaysia	Ringgit	11.46
European Union	Euro	53.16
United Kingdom	GBP	77.22
Japan	100 Yen	39.15

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