

OILSEED

09th July 2005

- Rapeseed Market Declined Marginally on Increased Selling Amidst Declining Demand

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX July Contract

Rapeseed July contract opened range bound and traded marginally lower for most of the day. The market is expected to open weak but trade range bound in the negative territory.

Stochastic Oscillators: The %K - line continued down entering the neutral region hinting to weakness in the prices. The % D - line also dipped down in the neutral region indicating the growing support for the weakening trend in the prices.

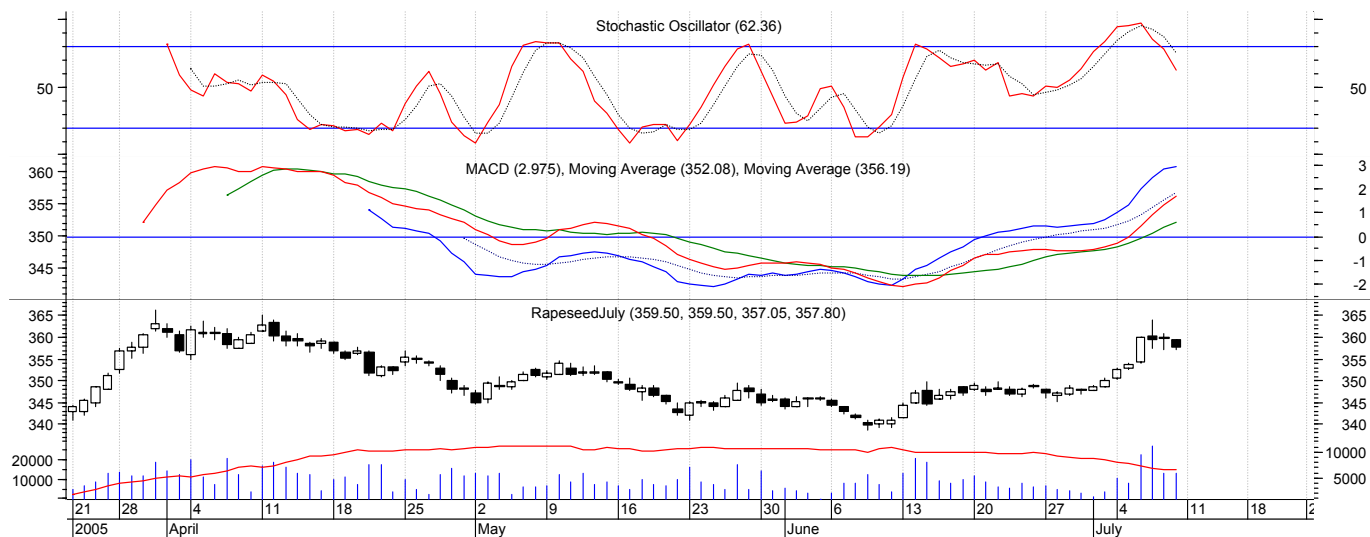
Currently the MACD is bullish since it is trading above its signal line. The MACD crossed above its signal line 22 period(s) ago. Since the MACD crossed its moving average, Rapeseed July's price has increased 3.02% and has ranged from a high of 364.10 to a low of 344.50. The 7-Day MA is still moving up along with the 14-Day MA hinting to the continuing strength in the market prices.

Market advice:

Trade is expected to open and trade range bound on the lower side for Monday. Can go short with short-term outlook.

Advisable trade limits:

Support at 356.00 and Resistance 360.00



COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX July Contract

Soybean seed July contract opened on the negative side and continued lower for the day amidst increased selling pressure and declining retail demand.

Stochastic Oscillators: The %K line continued lower in the neutral region indicating the increasing unsteadiness in the domestic prices. The % D-line also moved lower in the neutral region hinting to the declining sentiments in the market.

Currently the MACD is bullish since it is trading above its signal line. The MACD crossed above its signal line 3

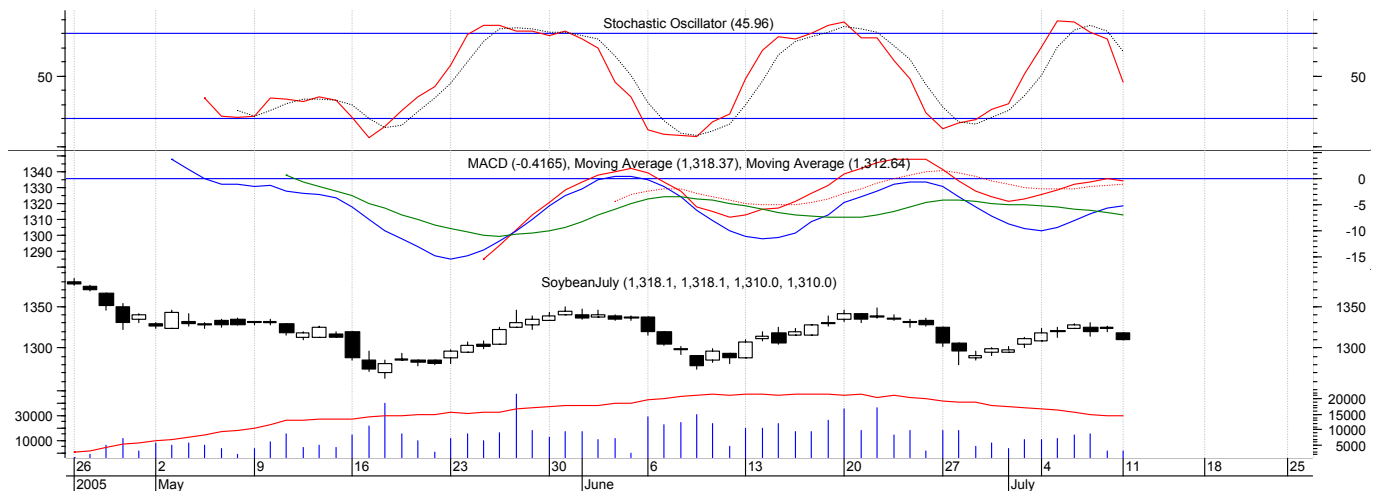
period(s) ago. Since the MACD crossed its moving average, Soybean July's price has decreased 1.28% and has ranged from a high of 1,331.000 to a low of 1,310.000. The 7-Day MA continued up showing the improving sentiments in the markets but the 14-Day MA continued hinting to the existing weakness in the market.

Market advice:

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

Advisable trade limits:

Support at 1305.00 and Resistance at 1318.00



DOMESTIC MARKET COMMENTARY

Soybean:

The domestic market opened weak continued further lower for the day amidst wide spread uncertainty in the domestic market. The lack of retail demand is not helping the buyers support to come up at the futures.

The concerns of the Indore Exchange to have deliveries of edible oils also lowered the market sentiments. But this has not taken place and the process has been postponed for Monday. This pressure of delivery of Soybean oil is expected to be active even on Monday keeping the prices under tight check.

The international market declined sharply at the CBOT amidst wide spread uncertainty in the weather caused by the Dennis Hurricane. The uncertainty in the global market also increased amidst concerns over the Chinese other Asian countries demand for US soybean, as most of the Asian demand is shifting towards Argentina and Brazil. At the time of closure the NCDEX July Contract was at Rs. 1310.00 (Down by Rs. 14.05).

The Hazir market traded range bound amidst increasingly uncertain sentiments at the futures and the pressure of expected deliveries at Indore.

The price of soybean in Kota market was quoted at Rs. 1320-1330 per quintal. In Madhya Pradesh it was Rs. 1440, in Karnataka it was Rs. 1260 and in Maharashtra it was between Rs. 1255-1260.

The market is expected to open marginally on the lower side for Monday and continue trading range bound for the day.

Rapeseed/Mustard:

The rapeseed market today declined significantly amidst increased panic selling towards the end of the day and declining retail demand.

The traders are still expressing their concern over the declining demand in the retail market, as the millers are not showing their interest in the rapeseed at such high rate. 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.

Today, the rapeseed found no support from the buyers at major exchanges growing uncertainty regarding the unsteady progress of monsoon in the starting session. In the spot markets the prices also declined marginally amidst increasing uncertainty.

Today the new crop arrival reached 0.40-0.45 lakh bags in Rajasthan and about 0.12 lakh bags in Madhya Pradesh.

The rapeseed market is expected to continue trading on lower side for Monday as the retail demand is expected to be on the declining side.

Status of Price & Supply of the New Crop

Markets	Prices	Arrivals (Bags)
Jaipur	1785	-
Alwar	1720	1000
Delhi	1810	700
Agra	1850	-
Sri Ganganagar	1570	400-500
Kota	1540-1580	1000-1500

Groundnut

Groundnut oil today declined marginally at various centres except for Gujarat owing increasing uncertainty in the other edible oil markets and declining retail support. The Gujarat market is still maintaining the high amidst concerns of breaking of epidemic in areas already fighting the adversity of flood.

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

The range-bound trade in groundnut oil prices is expected to continue for the coming days amidst continuing uncertainty about the upcoming crop.

The rate of the Export Quality (80-90 Count) groundnut is Rs. 2595 per quintal, the bold (60-70 Count) is Rs. 2860 per quintal, the 50-60 count seed is Rs. 2800 and for 40-50 count the rate is Rs. 2290 in Mumbai market.

Vayda Quotes

Mustard futures as on 09th July 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	5-Aug	347.00	346.40	346.70	345.40	-0.80	346.20
Hapur	5-Aug	368.10	367.50	367.80	366.30	-0.60	367.50
Bikaner	5-Aug	338.00	338.50	338.50	338.50	0.50	338.50
Hisar	5-Aug	344.40	344.00	344.10	343.30	-0.40	344.00

CBOT

CBOT Soy Declined Sharply on Uncertain Weather Predictions by Various Weather Models

Nervous selling tied to the potential for Hurricane Dennis to bring beneficial rains to the driest areas of the central Midwest next week pressured Chicago Board of Trade soybean futures Friday.

The market put in a high for the week on Tuesday with a low for the week today but while volatility was high, the change on the week was quite small. Weather models show the possibility of significant rains into Illinois next week, which has triggered active long liquidation selling from speculators.

The rains from the last tropical storm were pulled to the southeast but some weather models still show a move north after landfall and potential drought busting rains into the central cornbelt. While computer generated weather models show the rain, meteorologists continue to point out that the reliability of predicting the path is very low which leaves a major volatility set-up for Monday morning.

Weekly US export sales for soybeans came in at 170,600 metric tonnes as compared to trade expectations between 50,000-125,000 tonnes. Cumulative sales have reached 99.3% of the USDA forecast for the season as compared to 101.0% on average over the last five years. Sales of 25,300 tonnes per week are needed to reach the USDA estimate.

Meal sales were 54,000 tonnes as compared to trade expectations between 35,000-75,000 tonnes. Cumulative sales have reached 99.2% of the USDA forecast as compared to 91.0% on average.

Oil sales were 2,200 metric tonnes as compared to trade expectations between 2,000-6,000.

In pit trades, ADM Investor Services bought 300 July and 400 August, RJ O'Brien bought 1,000 November and Refco bought 300 November. On the sell side, Bunge Chicago sold 300 November, Calyon Financial sold 700 November, Cargill Investor Services sold 1,000 November, O'Connor sold 600 November, Refco and Merrill Lynch each sold 800 November, with Man Financial, and Rand Financial each selling 500 November. Commodity funds were estimated sellers of 3,000 contracts.

The US soybean is expected to continue marginally lower on amidst continuing possibility of good rains in the coming week.

South American Soybean Futures Declined Sharply on Continuing Uncertainty in US Crop Weather

Fears that the hurricane track could shift to bring badly needed rains to Illinois turned the trend from higher to lower overnight, and terrorist attacks in London added to uncertainty and contributed to massive volatility in the financial markets.

Firm international demand tone for Brazil soybeans and increased uncertainty for the size of both the US and the upcoming Brazil crop helped to improve the demand tone in Brazil, but the focus of attention for the US market remains on weather.

Traders are also monitoring China's demand for South American soybeans, with the recent break and cheaper freight rates seen as factors, which might entice demand.

Several weather models show the moisture missing Illinois to the west and others show the possibility of the moisture moving up the Ohio valley to the east of Illinois, but as of late yesterday many models kept the moisture away from Illinois, so the odds seem to have increased for some relief.

The delta received good rains with the first tropical storm this week, and producers in Arkansas and Missouri see relief from dryness from the hurricane.

With extended weather models not showing much relief from hot and dry weather, Illinois crop conditions for the week ending July 17th will be highly dependent on the rain or no rain scenario for July 13th.

The Latin American soybean market is expected to trade lower on concerns of the declining trade at CBOT soybean futures but long-term sentiment is still bullish.

CBOT Soy oil futures as 08 July 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul'05	692.0	678.0	680.0	667.0	-16.6	675.4
Aug'05	694.4	680.0	683.0	670.4	-16.4	678.0

CBOT remains closed on Saturday and Sunday.

Forex Rates (As on 09.07.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.61
Malaysia	Ringgit	11.46
European Union	Euro	52.22
United Kingdom	GBP	75.79
Japan	100 Yen	38.87

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