

OILSEED

12th July 2005

- Rapeseed Market Continued Up On Increased Buyers 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 range bound in the positive territory.

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

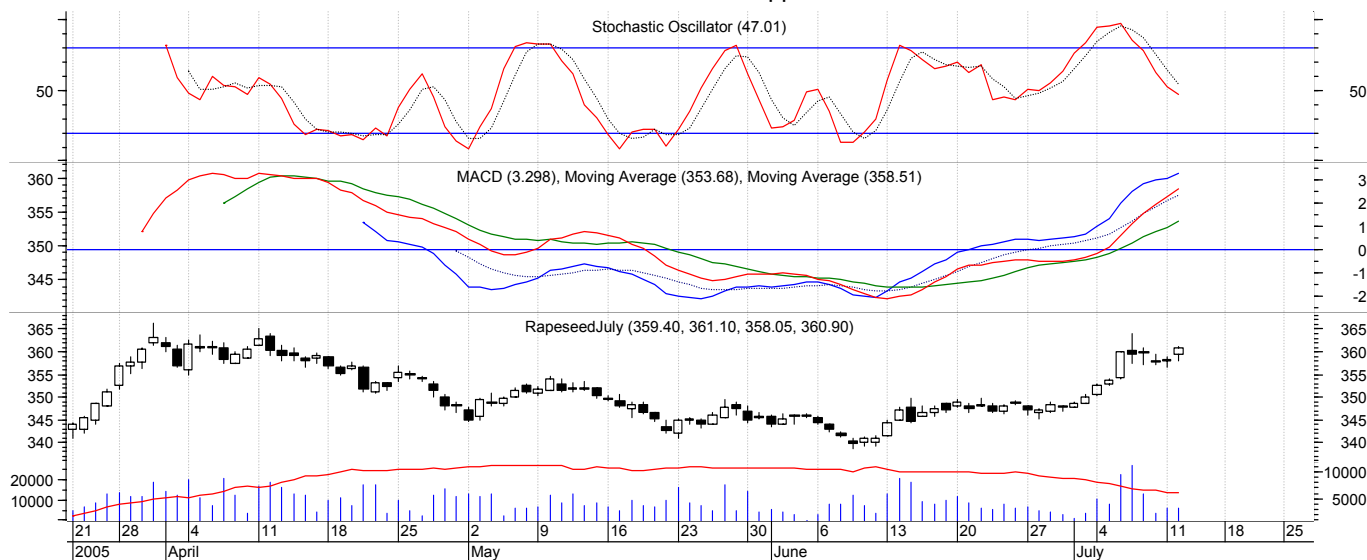
Currently the MACD is bullish since it is trading above its signal line. The MACD crossed above its signal line 24 period(s) ago. Since the MACD crossed its moving average, Rapeseed July's price has increased 3.92% and has ranged from a high of 364.10 to a low of 344.50. The 7-Day MA is still moving up along with the 14-Day MA supporting the continuing strength in the market prices.

Market advice:

Trade is expected to open and trade range bound on the higher side for Wednesday. Can go long with short-term outlook. Marginal downward movement cannot be declined towards the end session.

Advisable trade limits:

Support at 358.20 and Resistance 361.90



COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX July Contract

Soybean seed July contract opened range bound and continued so for most of the day amidst uncertain support from the buyers in the market.

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 weak sentiments in the market.

Currently the MACD is bearish since it is trading below its signal line. The MACD crossed below its signal line 2

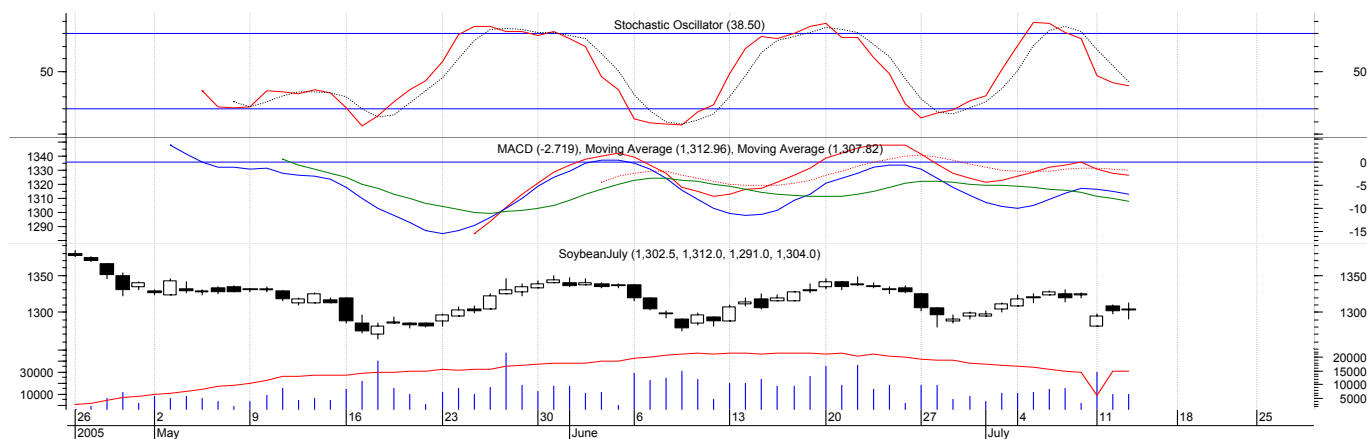
period(s) ago. Since the MACD crossed its moving average, Soybean July's price has increased 0.71% and has ranged from a high of 1,312.00 to a low of 1,281.00. The 7-Day MA continued up showing the improving sentiments in the markets but the 14-Day MA continued hinting to the existing weakness in the market.

Market advice:

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

Advisable trade limits:

Support at 1287.00 and Resistance at 1313.00



DOMESTIC MARKET COMMENTARY

Soybean:

The domestic market opened mixed continued further lower for the first few hours but witnessed mild recovery towards the end of the day amidst short coverings. The lack of retail demand is not helping the buyers support to come up in a large way at the futures.

Today the delivery of 1350 tonnes at Indore was confirmed. Another lot of 1000 tonnes was expected today, which has not yet been confirmed. If this delivery does not take place, then it is expected to cause bullishness in the market prices.

The international market improved marginally at the CBOT amidst wide spread uncertainty in the weather caused by the Dennis Hurricane. The situation of the international market is expected to be clear by today evening after the release of the Monthly crop progress report by USDA. Till then the market sentiment is expected to continue uncertain. At the time of closure the NBOT July Contract was at Rs. 370.40 (UP by Rs. 0.10) and the August contract ended at Rs. 381.10 (UP by Rs. 1.40).

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

The market is expected to open steady for Wednesday but trade higher as the day progresses.

Rapeseed/Mustard:

The rapeseed market today found renewed support at the futures amidst increased buying and profit coverings in the soybean oil market in spite of the declining support from the retail market.

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 come down significantly as NAFED would be selling about 4 to 5 lakh tonnes of rape seed.

Today, the rapeseed found increased support from the buyers at major exchanges amidst the unsteady progress

of monsoon. In the spot markets the prices moved range bound amidst increasing uncertainty.

Today the new crop arrival reached 0.20-0.25 lakh bags in Rajasthan and about 0.10 lakh bags in Madhya Pradesh.

The rapeseed market is expected to trade on higher side for Tuesday as the buyers' support is expected to on the rise for few more days.

Status of Price & Supply of the New Crop

Markets	Prices	Arrivals (Bags)
Jaipur	1770-1775	-
Alwar	1690	1500
Delhi	1785-1790	2000
Agra	1840	-
Sri Ganganagar	1530-1540	500-1000
Kota	1530-1550	600-700

Groundnut

Groundnut today continued improving marginally at various centres including Gujarat owing increasing uncertainty in the other edible oil markets and declining retail support. The Gujarat market is still maintaining the high price amidst concerns of the adversity of flood where effective supply line to different markets have been disrupted owing the disturbances in the road and rail transport.

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 higher trade in groundnut oil prices is expected to continue for Wednesday amidst continuing uncertainty about the upcoming 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 11th July 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	5Aug	345.30	345.80	349.30	345.70	3.40	348.70
Hapur	5Aug	366.90	367.30	370.80	367.00	3.40	370.30
Bikaner	5Aug	339.00	339.00	339.00	339.00	0.00	339.00
Hisar	5Aug	343.10	343.30	347.40	343.30	2.70	345.80

CBOT

Soy futures Improved Marginally on Expected Bullish Monthly Crop Progress Report

Soybean futures at the Chicago Board of Trade finished higher Monday; bouncing back from earlier declines as forecasts reducing the chances of showers from Hurricane Dennis remnants reaching central and northern Illinois attracted speculative buying.

Ideas that most of the rains for the next 2-3 days for the eastern cornbelt could fall in the southern half of the belt helped support the move to the highs of the day after the market seemed to lack follow-through selling on the early break and on the collapse in the overnight session.

On top of some doubts as to the extent of the rainfall this week, the market seems to be finding support from USDA reports this week. The weekly crop progress report for release after the close is expected to show crop conditions down 2-4% in the good to excellent category. In addition, the USDA Supply/demand report for Tuesday morning is expected to show declining ending stock estimates.

Traders are expecting ending stocks to come in near 195 million bushels as compared with 255 million from last month's report.

Weekly export inspections came in at 6.06 million bushels from trade expectations at 4-8 million. Cumulative shipments have reached 92.9% of the USDA forecast for the year as compared with 93.1% on average for this time of the year.

In early trades, ADM Investor Services bought 500 November, ABN Amro bought 300 August, Goldenberg Hehmeyer bought 1,500 November, Refco bought 1,000 November, and O'Connor and Calyon Financial each bought 300 November. On the sell side, ADM Investor Services sold 500 November, ABN Amro, Citigroup and Man Financial each sold 300 November, UBS Securities sold 400 November, and Refco sold 800 November. Commodity funds were estimated buyers of 3,000 contracts.

The US soybean is expected to continue marginally range bound on the positive side amidst expected support from the monthly crop progress report to be released today evening.

CBOT Soy oil futures as 11 July 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul'05	675.4	680.0	691.0	665.0	12.6	688.0
Aug'05	678.0	680.0	694.4	669.0	12.0	690.0

CBOT remains closed on Saturday and Sunday.

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South American Soybean Futures Recovered Marginally on Uncertain Crop Weather in US

Ideas that Brazil export activity could pick up as international buyers seek coverage just in case the weather turns sour in the US helped the demand tone for South America soybeans last week, but the outlook for Midwest rains this week could cause end users to step back and wait for future developments. This, combined with increased cases of bird flu reported in Thailand, the Philippines and Japan in the past week might help ease demand.

While crop conditions likely deteriorated over the past week, the outlook for improving crops for the coming week and more normal weather into late July leaves futures vulnerable to long liquidation selling from fund traders unless the USDA reports on Tuesday morning offer some bullish surprises.

Thailand reported bird flu problems over the weekend. Japan also noted a new case on a chicken farm, but it was of the weaker strain, which does not kill humans. Slower palm oil production in June resulted in end of June palm oil stocks at 1.183 million tonnes, down 8.64% from the previous month.

China imported 12 million tonnes for the first half of 2005, which was up 33.6% from last year, so traders believe that demand numbers should remain strong for the report. Thailand reported bird flu problems over the weekend. Japan also noted a new case on a chicken farm, but it was of the weaker strain, which does not kill humans.

Slower palm oil production in June resulted in end of June palm oil stocks at 1.183 million tonnes, down 8.64% from the previous month.

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

Forex Rates (As on 12.07.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.62
Malaysia	Ringgit	11.48
European Union	Euro	52.64
United Kingdom	GBP	76.64
Japan	100 Yen	38.02