

## OILSEED

25<sup>th</sup> August 2005

- Rapeseed Prices Remain Range-bound Today

### TECHNICAL ANALYSIS

#### COMMODITY: MUSTARD SEED

Perspective: Very Short Term

##### NCDEX September Contract

**Rapeseed September Contract** opened lower but went up thereafter to make an engulfing white candle.

**Stochastic Oscillators:** The %K - line has come out from the overbought region and cut the %D-line from the above.

The MACD remains above the signal line and the gap with the EMA is widening.

Both the 7-day MA has touched the 14-day MA from below.

##### Market advice:

The price may open slightly lower however, after that may go up. Look for the resistance.

##### Advisable trade limits:

Support at 355.50 and Resistance 358.50



#### COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

##### NCDEX September Contract

**Soybean seed September Contract** opened lower but went up thereafter and the candle formation is showing a long upper shadow.

**Stochastic Oscillators:** The %K - line after cutting the % D-line from above is going down.

The MACD is in the bearish territory however, it is about to make a bullish crossover with the EMA.

The 7-day MA is below the 14-day MA. The slower MA has bent slightly. The RSI (29.06) has reached the oversold region.

##### Market advice:

Tomorrow the open is likely to be on the lower side. The possibility of the weakness should be kept in mind.

##### Advisable trade limits:

Support at 1259.00 and Resistance at 1277.00



## DOMESTIC MARKET COMMENTARY

### Soybean:

Soybean prices remained almost at the same level today amid lack of fresh demand. The market activities today remained slow. There were some selling intentions in Indore mandi earlier in the day.

The soy oil prices at the NBOT, Indore improved today. The DOC prices maintained the steadiness today.

Soybean futures at the NCDEX today revived slightly on the intra-day trading. However, overall the prices declined today. The NCDEX September contract today closed at Rs1266.25 (Down by Rs.4.00).

The price of soybean in Kota market was quoted at Rs. 1240 per quintal. In Madhya Pradesh it was Rs. 1265, in Karnataka it was Rs. 1200 and in Maharashtra it was Rs. 1245.

There may be some weakness at the spot markets for the very short-term period.

### Rapeseed/Mustard:

Rapeseed prices today remained almost same with a weak undertone. The market activities have been steady for last few days. Lack of arrival kept the market subdued.

Today the rapeseed prices in the major vayda exchange remained mixed. The price movement remained highly range-bound.

The September contract at the NCDEX today after opening on the lower side improved smoothly throughout the day. The movement remained range-bound. The market is worried about the stocks with the NAFED. The September contract at the NCDEX improved to close at the day's high at Rs 357.00 per 20 kg.

The arrival of mustard in Rajasthan remained at around 0.15 lakh bags today.

The range-bound movement is likely to continue in the rapeseed prices. The market tone would remain steady. The prices may come under pressure if the NAFED starts selling its stocks.

### Status of Price & Supply of the New Crop

Markets	Prices (Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1815	15000
Alwar(C)	1710-15	700-800
Delhi(C)	1815	1000
Agra(C)	1880	-
Sri Ganganagar (NC)	1540-50	400
Kota (NC)	1560-1600	1000-1200

### Vayda Quotes

#### Mustard futures as on 25 August 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	Aug	345.75	345.5	346.0	345.1	+0.05	345.8
Delhi	Nov	339.50	339.3	339.7	338.8	-0.70	338.8
Hapur	Aug	368.60	367.5	368.8	367.5	0.00	368.6
Hapur	Nov	361.50	361.2	362.8	361.1	+0.10	361.6
Bikaner	Aug05	348.30	348.3	348.3	348.3	0.00	348.3
Hisar	Aug	335.20	335.5	336.1	334.6	-0.40	334.8
Hisar	Nov	336.70	337.1	337.6	336.5	0.00	336.7

### Groundnut

The Rajkot mandi remained closed today on the occasion of Janmastami. The mandi will resume on Tuesday. In other states the prices of groundnut remained stable. The shortage of the crop is supporting the prices at present. However, the coming good crop may put pressure on the prices in the future.

The demand for groundnut oil remained on the upper side today also.

The prices of groundnut in the near to medium term are likely to remain firm due to expected improvement in the demand.

The rate of the Export Quality (80-90 Count) groundnut was Rs. 2840 per quintal, the bold (60-70 Count) is Rs. 2970 per quintal, the 50-60 count seed is Rs. 2850 and for 40-50 count the rate is Rs. 2430 in Mumbai market.

## CBOT

### CBOT Soy Futures Declined On Improving Weather in Midwest

Soybean futures at the Chicago Board of Trade ended lower on Wednesday, falling under the weight of speculative and local selling amid the absence of fresh supportive inputs to underpin prices amid bearish finishing weather for Midwest soybean crops.

After a two-day rally, November soybeans appear ready to test last Friday's lows. Another chance of rain is anticipated through the Midwest, and with the wheat market showing overt weakness today, there would appear to be some sympathy in soybeans.

Crop tour dialogue continues to confirm better than expected results compared to several weeks ago, but the predictions are running below year ago levels for the most part. In order to give recent rumours of Chinese buying credibility, the crush margin will have to improve or the US export numbers on Thursday will have to come in solid.

Speculative selling easily pulled futures to session lows down the stretch; with traders unwilling to challenge downside moves amid perceptions that soybean production potential could be enhanced by good finishing rains across the Midwest.

In trades, Cargill Investor Services and Rand Financial each bought 300 November, and ADM Investor Services and Citigroup were each light buyers of November. On the sell side, Citigroup and Refco each sold 300 November, Cargill Investor Services sold 500 November and Bunge Chicago sold 200 November.

The US soybean is expected to continue range bound on the lower side on Thursday evening amidst prospects of good rains in Midwest.

#### CBOT Soybean futures as 24 August 2005 (Cents/bushel)

Months	Previous Settle	Open	High	Low	Change	Close
Sep05	610.6	607.0	610.4	602.4	-8.2	602.4
Nov05	620.4	615.0	621.0	612.0	-7.8	612.6

CBOT remains closed on Saturday and Sunday.

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### South American Soybean Improved Marginally of Increased Prospects of Imports from China

November South American soybeans closed higher on the session. The sharp drop in prices has hurt Brazilian producer income, and many may be forced to reorganize or pay off debt before borrowing more to finance the coming year's crop.

The Brazil Vegetable Oils Industry Association pegged the new Brazil crop at 58.2 million tonnes this week as compared with the current USDA forecast at 62 million tonnes and 50.8 million tonnes this past season.

China demand concerns persist, but many traders believe that with the strong growth trends in the country, usage is expanding and that soybean imports will continue to be active into the 4th quarter. Bio-diesel demand has provided underlying support for vegetable oils, but the trade is also concerned that domestic soybean oil demand could be hit by the trans fat issue as processed food recipes change.

Lower consumption of margarine and processed food in general could reduce domestic demand for soyoil, and with palm oil prices significantly cheaper, even bio-diesel producers might import palm.

Crop tour results did not offer any surprises yesterday as it moved through Indiana and Nebraska. Asia rust has spread to six Alabama counties, and officials believe it will spread through more of the state.

The market has rallied some in the past few days on talk that China has purchased a few US cargoes, but rumours that as many as 5-10 cargoes of US soybeans may have been bought seem to be a bit overblown considering talk of poor crush margins in China.

The Latin American soybean is expected to continue improving today evening amidst support from the rising global export demand.

#### Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.76
Malaysia	Ringgit	11.59
European Union	Euro	53.86
United Kingdom	GBP	79.04
Japan	100 Yen	39.85