

OILSEED

06th August 2005

- Rapeseed Market Traded Range Bound Amidst Weakness In Edible Oil Markets

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX August Contract

Rapeseed August Contract opened firm and continued marginally higher for the day amidst increased support from the buyers.

Stochastic Oscillators: The %K - line continued up in the neutral region indicating to the rising strength in the market. The % D-line also moved up in neutral region indicating the strength in the market prices.

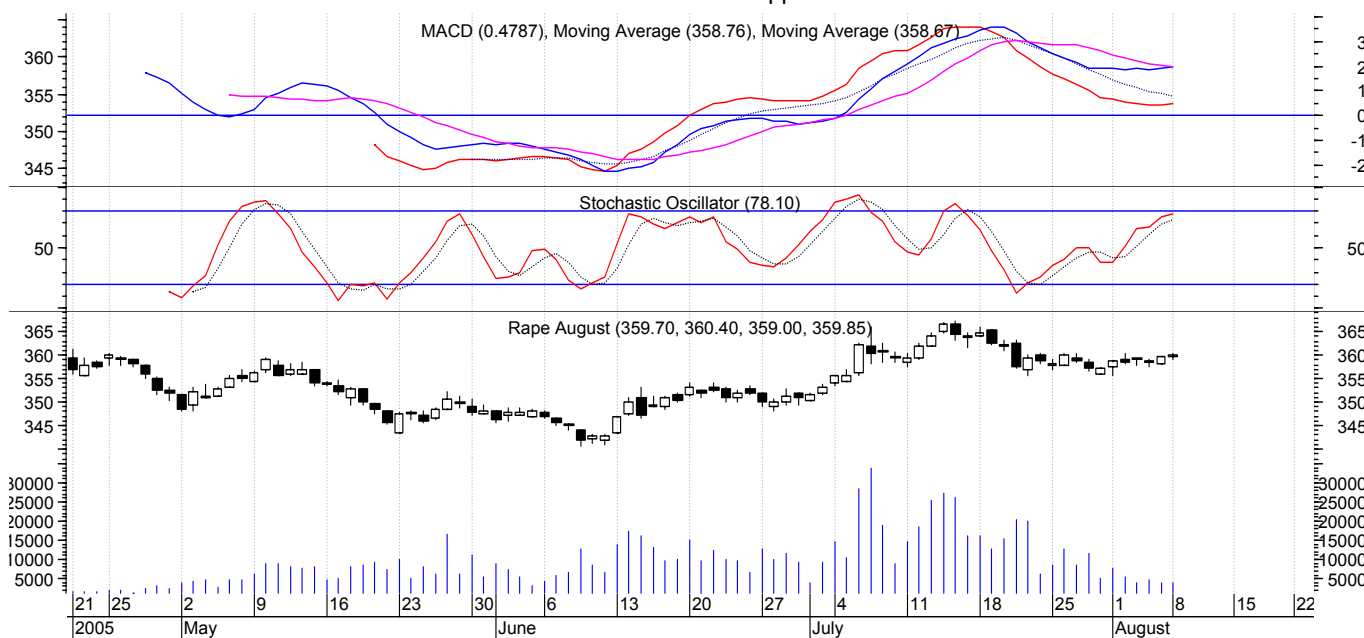
Currently the MACD is bearish since it is trading below its signal line. The MACD crossed below its signal line 13 period(s) ago. Since the MACD crossed its moving average, Rape August's price has increased 0.64% and has ranged from a high of 363.15 to a low of 355.60. The 7-Day MA continued upward showing the rising strength in the prices. The 14-Day MA also moved up hinting to the changing sentiments in the prices.

Market advice:

Market is expected to continue range bound on the higher side for Monday. Buy with short-term outlook.

Advisable trade limits:

Support at 358.90 and Resistance 361.10



COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX August Contract

Soybean seed August Contract opened marginally lower and traded range bound for the day amidst declining support from the soybean oil market.

Stochastic Oscillators: The %K - line moved down in the neutral region indicating to the weakness in the prices. The % D-line also moved lower in the neutral region supporting downward in the market.

Currently the MACD is bearish since it is trading below its signal line. The MACD crossed below its signal line 10

period(s) ago. Since the MACD crossed its moving average, August Soybean's price has decreased 2.82%, and has ranged from a high of 1347.00 to a low of 1294.00.

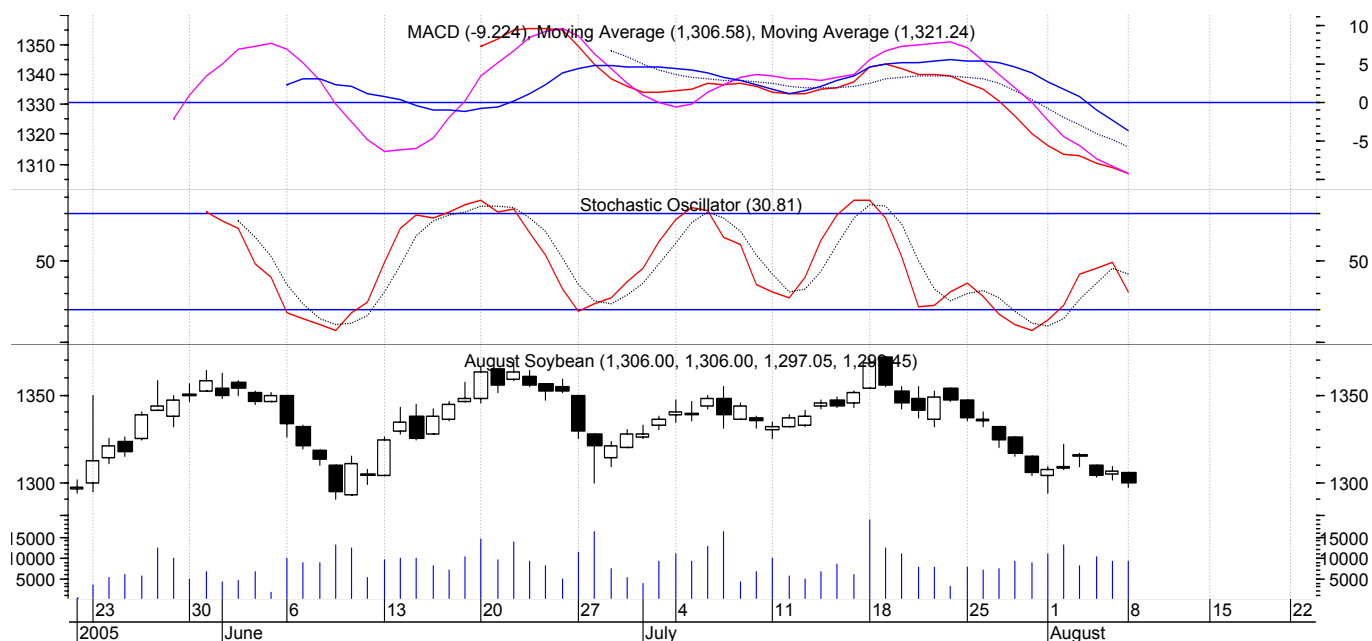
The 14-Day MA continued lower along with the 7-Day MA supporting the extended weakness in the market prices.

Market advice:

Market is expected to open range bound and trade marginally higher for Monday. Look for concrete direction before investing.

Advisable trade limits:

Support at 1293.00 and Resistance at 1311.00



DOMESTIC MARKET COMMENTARY

Soybean:

The domestic market opened weak and traded further on the lower side for the day amidst increased selling pressure and lack of demand in the retail market.

The international market traded lower amidst fear of more rains in the coming days and lower exports figures reported in the weekly export sales report. Following the international uncertainty, the domestic market traded on the lower side. At the time of closure the NCDEX August Soybean Contract was at Rs. 1299.45 (Down by Rs.6.45).

The trade at the domestic exchanges is greatly volatile on the lower side following pressure of expected bumper soybean crop owing to good rains.

As per the *prima facie* evidences of the progress of the crop conditions in the major growing states of the country, the production of the soybean crop is estimated to be between 52.0 to 55.0 lakh tonnes, though the overall acreage of the crop has increased by 1.30 per cent from 69.52 lakh hectares to 70.40 lakh hectares.

The price of soybean in Kota market was quoted at Rs. 1220 per quintal. In Madhya Pradesh it was Rs. 1290, in Karnataka it was Rs. 1220 and in Maharashtra it was Rs. 1230.

The market is expected to open marginally lower for Monday amidst declining support from the buyers and increased pressure from the imports.

Rapeseed/Mustard:

The rapeseed market today traded range bound in both the futures as well as the domestic markets amidst unsteady buying support and continuing uncertainty in the other edible oil markets.

There was no activity from the NAFED's side following the indifference of the trader. NAFED is inviting daily tenders, but the rate quoted is on the higher side at which the domestic traders are reluctant to purchase.

Today the mustard arrival was 0.10-0.15 lakh bags in Rajasthan, which is declining day by day.

The rapeseed market is expected to continue range bound with marginal improvement on Monday as the buyers' support is improving continuously.

Status of Price & Supply of the New Crop

Markets	Prices	Arrivals (Bags)
Jaipur (C)	1805-1810	-
Alwar(C)	1730	700
Delhi(C)	1825	1000
Agra(C)	1850	-
Sri Ganganagar (NC)	1570-1575	500
Kota (NC)	1570-1600	1000

Groundnut

Groundnut declined marginally amidst increased unsteadiness in other edible oil markets.

The continuing heavy rains in major growing areas of Gujarat owing to heavy rains and opening of major dams expected to cause damage to the crop if water is logged in the fields for a longer duration, creating uncertainty in the overall out put after less than normal sowing. The prospect of declining production is expected to impart bullishness in the market in the days to come.

In declining sentiment in the other edible oils, the groundnut prices also moved lower.

The domestic market is expected to continue trading range bound on Monday amidst increased uncertainty in edible oil markets.

The rate of the Export Quality (80-90 Count) groundnut is Rs. 2780 per quintal, the bold (60-70 Count) is Rs. 3050 per quintal, the 50-60 count seed is Rs. 2980 and for 40-50 count the rate is Rs. 2430 in Mumbai market.

Vayda Quotes

Mustard futures as on 06 August 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	Aug	345.50	346.00	346.20	345.80	0.40	345.90
Delhi	Nov	341.40	341.70	342.00	341.00	-0.10	341.30
Hapur	Aug	368.40	368.80	368.90	368.20	0.10	368.50
Hapur	Nov	363.60	363.25	364.70	363.25	0.30	363.90
Bikaner	Aug	349.00	349.00	349.00	349.00	0.00	349.00
Hisar	Aug	336.80	336.80	337.00	335.80	-0.30	336.50
Hisar	Nov	335.80	335.70	336.00	334.80	-0.60	335.20

CBOT

CBOT Soy Futures Declined Sharply on Increased Profit Coverings

Soybean futures at the Chicago Board of Trade ended lower Friday, but well off earlier lows as end-of-the-day position squaring surfaced to trim the markets early plunge. The market was under intense pressure for most of the day from technical selling and speculative liquidation.

By the close the market had recovered marginally owing to continuing stressed conditions in the soybean crop. The increased possibility of rainfall next week also left the remaining weather bulls on the defensive.

As per the private surveyors report released in the press in the press the 2005 US soybean production is expected to be 76.55 million tonnes. While this is lower than the July 12th estimate of 78.65 million tonnes, apparently it is bullish, as some traders are still expecting the drought and reduced crop conditions.

Drew Lerner of World Weather Inc. reported that current models predict a cool front to move into the Midwest late next week, with moisture favoring the northern belt. The northern belt could receive rains from 1/2 inch to 1 1/2 inches while the rest of the soybean belt would see precipitation in the 2/10- to 3/4-inch range with 40% coverage.

The US soybean is expected to trade marginally high on Monday evening amidst support from the lower production estimates.

CBOT Soybean futures as 05 August 2005 (Cents/bushel)

Months	Previous Settle	Open	High	Low	Change	Close
Aug'05	671.2	671.0	671.0	640.0	-12.8	658.4
Oct'05	675.4	678.4	678.4	645.0	-13.8	661.6

CBOT remains closed on Saturday and Sunday.

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South American Soybean Improved Marginally Amidst Lower Projection of US Soybean Crop

The markets were relatively quiet after an active session the day before when the market sold off sharply on perceived prospects for improved rain in the US Midwest. Yesterday, a private firm in Brazil forecasted in Brazil's 2005/06 soybean crop at 56.1 million tonnes, 7% increase over 2004/05, despite a 1.6 million hectare drop in planted area.

The stronger Real puts more purchasing power in the hands of Brazilian producers, which may encourage greater use of fertilizer and other inputs to soybean production.

Price action continues to show that the US soybean market remains sensitive to less than perfect conditions. It is also clear that the soybean market has more psychologically supportive information emanating from the demand or international front than the corn market, as Chinese soybean prices overnight were higher on a combination of short covering and ongoing concern over tight stocks.

It seems that the bearishly inclined corn market mentality is giving the barely bearish weather forecasts more credence than would normally be seen, considering what remains on the line for the soybean market. Soil moisture continues to deteriorate in many areas, with only a few concentrated areas seeing enough rain to actually improve or offset the effect of the moderately hot temperature condition.

Some forecasts are calling for an expanding mass of cool air to develop over Canada that could push the jet stream down over the upper US Midwest by the middle of next week which, would have the potential to usher in a period of heavier, more frequent thunderstorm activity across the northern Illinois and would mark a significant change from what that region has been experiencing this summer. The Latin American soybean market is expected to continue marginally bullish amidst declining crop prospects in US.

Forex Rates (As on 06.08.2005)

Country/Continent	Currency	Value in Rupees
USA	Dollar	43.52
Malaysia	Ringgit	11.60
European Union	Euro	53.76
United Kingdom	GBP	76.46
Japan	100 Yen	38.87