

OILSEED

22nd August 2005

- Groundnut Prices Improved in Gujarat Today

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX September Contract

Rapeseed September Contract opened higher today. The contract after that went up smoothly and formed rising window.

Stochastic Oscillators: The %K - line is above the oversold region and the % D-line also. Both the lines are in the neutral region and going up.

The MACD is in the bearish territory still but bent upwards. The gap with the EMA has shortened. However, the MACD could not provide any signal.

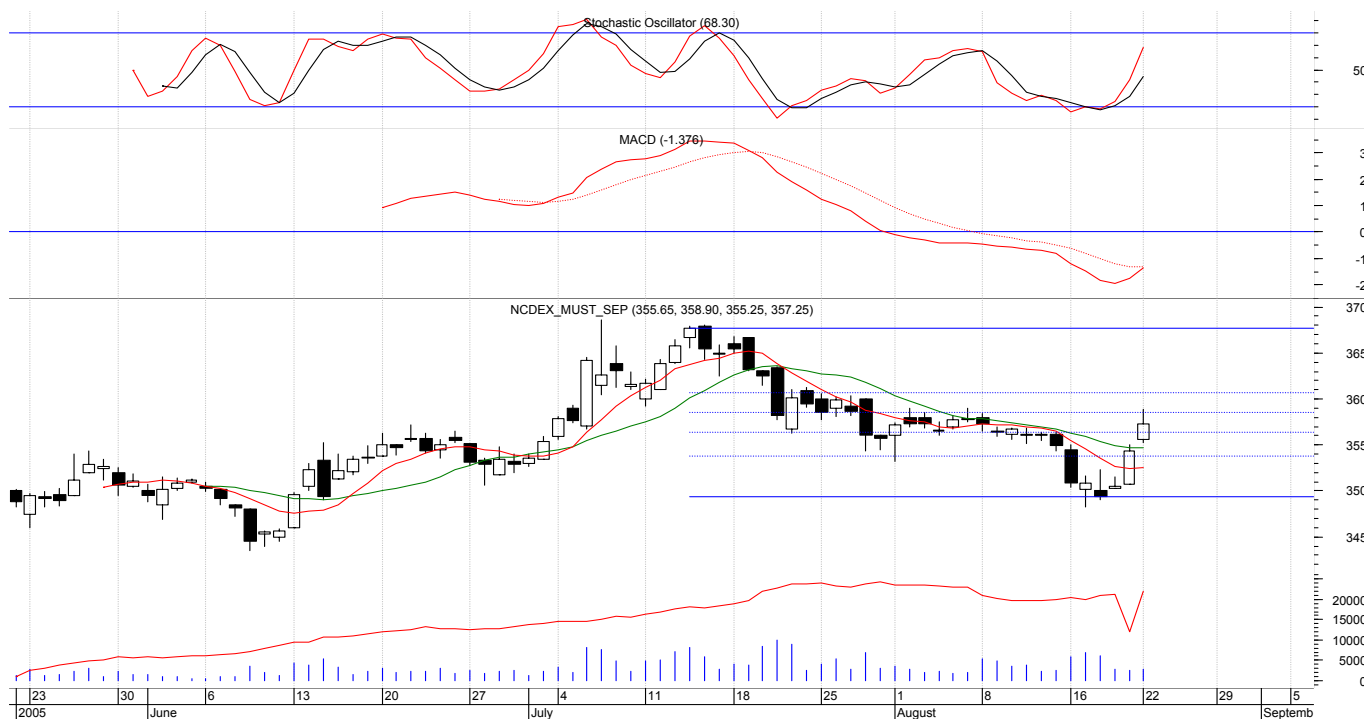
Both the 14 day and 7 day MAs have bend upward. The MAs are below than the prices.

Market advice:

All the indicators are indicating towards the further improvement.

Advisable trade limits:

Support at 355.00 and Resistance 358.50



COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX September Contract

Soybean seed September Contract opened higher today. The contract after that went up smoothly and formed a white candlestick.

Stochastic Oscillators: The %K - line is above the oversold region and the % D-line also. Both the lines are in the neutral region and going up.

The MACD is in the bearish territory but bent upwards. However, the MACD could not provide any signal.

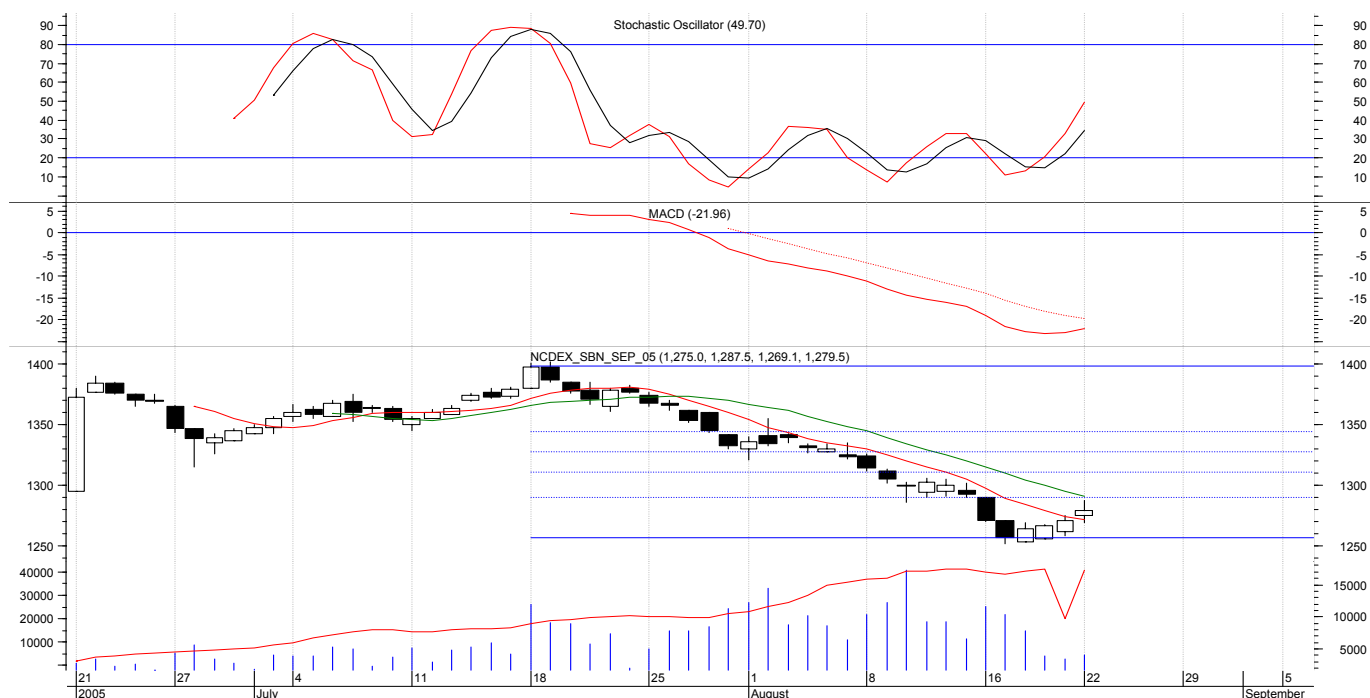
Both the 14 day and 7 day MAs are going down smoothly and the faster MA is below than the slower MA. The 14 -day MA is above the price line. The RSI has just come out from the oversold region and going up .

Market advice:

The short-term outlook is bullish. Buy with a very short-term outlook.

Advisable trade limits:

Support at 1270.00 and Resistance at 1290.00



DOMESTIC MARKET COMMENTARY

Soybean:

Prices of soybean maintained the improvement today also. According to the market sources there is some lack of supply to the plants. The gap between the regular demand and supply remained the main reason behind the temporary hike in the prices of soybean.

The soy oil prices also at the NBOT, Indore continued the improvement smoothly.

The soybean futures at the NCDEX also improved today significantly. The September contract opened higher today and thereafter went up smoothly. Throughout the trading at the NCDEX the September contract improved amid some recovery in demand. The contract today closed on the upper side. Today the NCDEX September Soybean Contract closed at Rs. 1279.25 (Up by Rs.8.20).

The price of soybean in Kota market was quoted at Rs. 1235 per quintal. In Madhya Pradesh it was Rs. 1260, in Karnataka it was Rs. 1200 and in Maharashtra it was Rs. 1235.

For the next few days there may be some more improvement with a slow pace.

Rapeseed/Mustard:

Prices of rapeseed continued to improve at the major vayda markets today.

Rapeseed prices at the major mandis of Rajasthan also improved today. In Sri Ganganagar mandi the prices improved by Rs 20-25 per quintal. The major stock is still with the NAFED, which is offering a price of Rs 1610-15 per quintal but the buyers are reluctant to buy due to poor quality according to the market sources. Therefore, an artificial gap has been created between the supply and demand. This is supporting the prices. The demand for rape oil also is supporting the seed prices.

The September contract at the NCDEX also improved today significantly.

The arrival of mustard in Rajasthan remained at around 0.20 lakh bags today.

It is expected that the improvement in the prices of rapeseed and mustard would be short lived and once the supply starts the prices would come down.

Status of Price & Supply of the New Crop

| Markets | Prices (Rs/Qtl) | Arrivals (Bags) |
|---------------------|-----------------|-----------------|
| Jaipur (C) | 1790-1795 | 20000 |
| Alwar(C) | 1715-1720 | 1000 |
| Delhi(C) | 1790 | 1000 |
| Agra(C) | 1880 | - |
| Sri Ganganagar (NC) | 1560 | 500 |
| Kota (NC) | 1550-1580 | 1000 |

Vayda Quotes

Mustard futures as on 22 August 2005

| Centre | Months | Prev. Settle | Open | High | Low | Change | Close |
|---------|--------|--------------|-------|-------|-------|--------|-------|
| Delhi | Aug | 344.30 | 346.4 | 346.4 | 346.4 | +2.1 | 346.4 |
| Delhi | Nov | 337.10 | 337.7 | 340.7 | 337.3 | +3.0 | 340.1 |
| Hapur | Aug | 366.80 | 366.8 | 369.5 | 366.8 | +2.2 | 369.0 |
| Hapur | Nov | 359.20 | 360.1 | 363.2 | 358.9 | +3.2 | 362.4 |
| Bikaner | Aug | 348.10 | 348.1 | 348.1 | 348.1 | 0.0 | 348.1 |
| Hisar | Aug | 335.10 | 336.0 | 337.7 | 334.9 | +1.5 | 336.6 |
| Hisar | Nov | 335.40 | 336.1 | 338.4 | 335.3 | +2.3 | 337.7 |

Groundnut

Prices of groundnut maintained some weakness in the Karnataka line today. However, the groundnut managed to

improve in Gujarat today. There was shortage already but lack of buying and poor market sentiments were pressurising the prices. The improvement in the buying interest helped the prices to gain in Gujarat.

However, the coming crop is likely to be very good. This may again put pressure on the prices of groundnut when the arrival would start.

The old stock at Chitradurg mandi fetched Rs 1850 per quintal whereas the new one fetched Rs1500 per quintal.

The prices of groundnut at present are likely to improve amid good demand.

The rate of the Export Quality (80-90 Count) groundnut was Rs. 2850 per quintal, the bold (60-70 Count) is Rs. 2975 per quintal, the 50-60 count seed is Rs. 2870 and for 40-50 count the rate is Rs. 2430 in Mumbai market.

CBOT

CBOT remains closed on Saturday and Sunday.

CBOT Soybean futures as 19 August 2005 (Cents/bushel)

| Months | Previous Settle | Open | High | Low | Change | Close |
|--------|-----------------|-------|-------|-------|--------|-------|
| Sep05 | 609.6 | 603.0 | 605.0 | 596.0 | 597.2 | -12.4 |
| Nov05 | 620.2 | 612.0 | 615.0 | 605.0 | 607.4 | -12.8 |

CBOT remains closed on Saturday and Sunday.

South American Soybean Lowered Marginally Amidst Improving Crop Weather in US

November South American soybeans closed marginally lower amidst lack of support from the global demand. While the US market may come under seasonal pressures from the harvest into the fall, Brazil cash markets could remain firm if export demand remains strong.

In Brazil, crop guesses seem to range between 56 and 63 million tonnes as compared with the drought impacted crop of 2005 near 50 million tonnes. In the number one producing region of Mato Grosso, there is talk of a 10-30% drop in plantings due to poor prices and sharply higher input costs.

In the last world supply/demand report from the USDA, Brazil production is thought to be near 62 million tonnes, up from 51 million tonnes this season. South American export activity has remained firm recently, highlighted by sales to China for fall delivery. Uneasiness with the Brazil currency action and the political situation in Brazil continues to fester.

The good moisture in the central and northern cornbelt along with more rains in the forecast for the next few days leaves the weather as a bearish influence and the trade expecting improving crop conditions for the next few weeks. Rain is expected to help boost yield potential and 1-2 inches in many northern Illinois areas was seen as especially beneficial.

China was a buyer of 55,000 tonnes in the weekly export sales report, which is the first purchase of new crop soybeans this year as compared with over 2 million tonnes last year at this point. Soybean prices were higher in India as the soybean crop areas have been too dry this season and declining yields are anticipated.

Cash markets at the Paranagua port in Brazil have been trading at 35 to 40 cents premium nearby futures in Chicago in recent days with bids up about 5 cents from last week at this time. China is beginning to book new crop soybeans, which is a positive sign, but demand factors may take a back seat to weather and fund activity for next week.

Forex Rates

| Country/ Continent | Currency | Value in Rupees |
|--------------------|----------|-----------------|
| USA | Dollar | 43.59 |
| Malaysia | Ringgit | 11.56 |
| European Union | Euro | 53.06 |
| United Kingdom | GBP | 78.5 |
| Japan | 100 Yen | 39.56 |

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