

## OILSEED

12<sup>th</sup> August 2005

- Rapeseed Market Closed With Steady Market Tone

### TECHNICAL ANALYSIS

#### COMMODITY: MUSTARD SEED

Perspective: Very Short Term

##### NCDEX August Contract

Rapeseed August Contract opened slightly lower side. The contract remained tried to recover some losses. The movement remained highly range-bound.

**Stochastic Oscillators:** The %K - line and also the % D-line are going down. The %K-line is about to touch the oversold

line. The indicator is indicating the decreasing strength of the price.

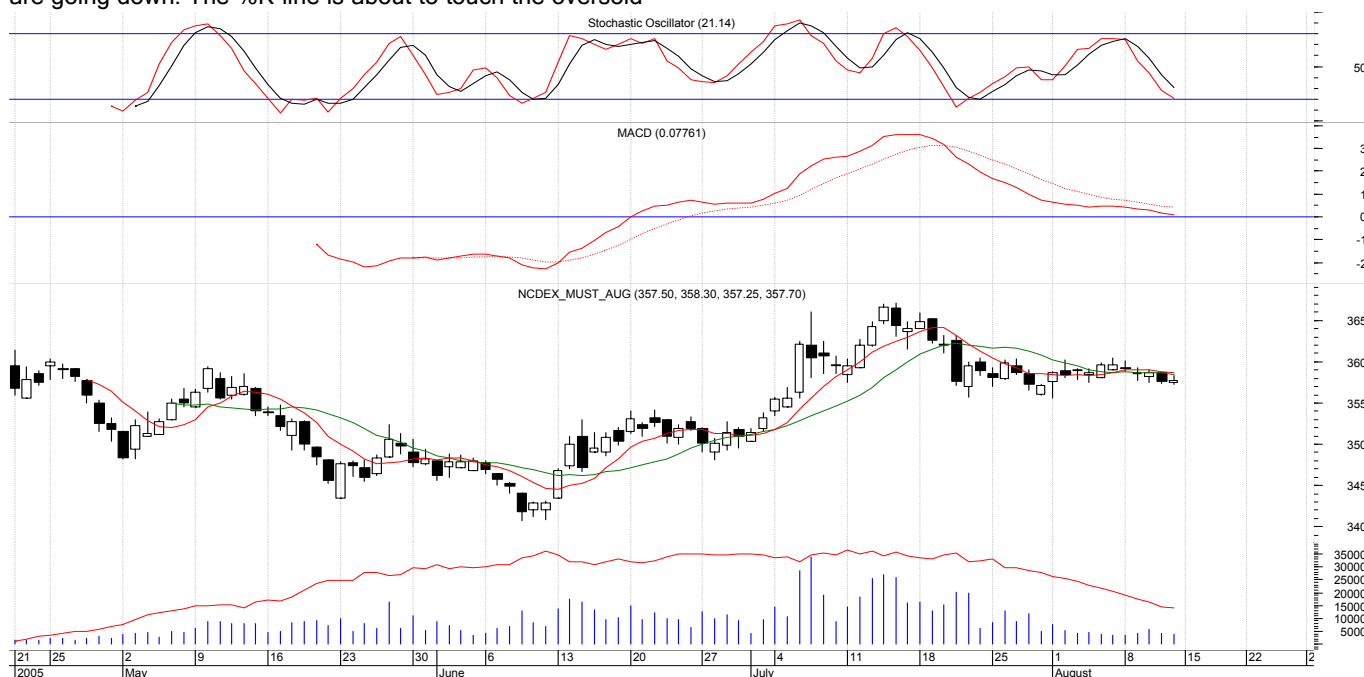
Currently the MACD is in the positive territory however, it is just above the zero line. The strength is decreasing still. However, the MACD could not generate any signal.

##### Market advice:

The contract is expected to trade range-bound with weak undertone.

##### Advisable trade limits:

Support at 357.00 and Resistance 358.60



#### COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

##### NCDEX August Contract

Soybean seed August Contract opened almost unchanged today. After that maintained the range-bound movement.

**Stochastic Oscillators:** The %K - line has just made a bullish crossover with the %D-line and moved up from the oversold region. An indication of a trend reversal.

Currently the MACD is in the bearish zone and also below its EMA. After the bearish crossover the MACD maintains the downward movement.

Both the 14 day and 7 day MAs are going down smoothly and the faster MA is below than the slower MA. Both the MAs are above the price line.

##### Market advice:

Though the prices declined on the day however, the intra-day movement remained positive. Tomorrow there may be some more improvement.

##### Advisable trade limits:

Support at 1273.00 and Resistance at 1285.00



## DOMESTIC MARKET COMMENTARY

### Soybean:

Soybean market remained with stable sentiment. The demand is also stable at present. The prices of soybean improved today at the spot markets of the major producing states.

The soy oil prices at the NBOT, Indore improved today, which also provided some support.

The US soybean futures at the CBOT declined yesterday however, there is expectation of an improvement on expected bullish supply demand data.

The soybean futures at the NCDEX remained range-bound throughout the day with a marginal weakness.

Throughout the trading at the NCDEX the August contract improved amid good buying support. The contract today closed near the day's high. Today the NCDEX August Soybean Contract closed at Rs. 1278.00 (Down by Rs.1.90).

The price of soybean in Kota market was quoted at Rs. 1250 per quintal. In Madhya Pradesh it was Rs. 1275, in Karnataka it was Rs. 1200 and in Maharashtra it was Rs. 1245.

Steadiness is likely to continue in the soybean markets. However, there may be an improvement in the coming days.

### Rapeseed/Mustard:

Rapeseed prices maintained the steadiness amid lack of significant market activities. Demand is there in the market but not sufficient to push the prices up. The market sentiment has been weak since last few days. The weakness in the oil prices also put pressure on the seed prices. In the major markets the prices weakened today. Most of the stocks is with the NAFED and the federation is not getting buyers at the their offered rate of Rs 1700 per quintal. The buyers are not willing to purchase at the higher prices.

The arrival of mustard in Rajasthan remained at around 0.30 lakh bags today.

No significant movement is likely to be seen in the prices of rapeseed and mustard. The steadiness is likely to remain with the weak undertone.

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

Markets	Prices (Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1785-1790	15000-20000
Alwar(C)	1690-1700	1050
Delhi(C)	1800	700-800
Agra(C)	1850	-
Sri Ganganagar (NC)	1550	500
Kota (NC)	1560-1585	2000

### Vayda Quotes

#### Mustard futures as on 12 August 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	Aug	344.50	344.0	344.0	344.0	-0.7	343.8
Delhi	Nov	339.30	338.7	338.7	338.1	-0.6	338.7
Hapur	Aug	366.50	366.2	366.5	365.7	-0.1	366.4
Hapur	Nov	360.90	360.6	360.8	360.3	0.00	360.9
Bikaner	Aug	348.00	348.0	348.0	348.0	0.00	348.0
Hisar	Aug	334.70	334.5	335.1	334.5	+0.4	335.1
Hisar	Nov	333.90	333.7	334.3	333.5	+0.8	334.7

### Groundnut

Stable market condition persists in the groundnut markets today also. Demand is steady. The stock is lower. Thus, the market activities remained slow. The prices of groundnut oil however, declined today slightly.

The market players in Gujarat, Karnataka, Rajasthan and Andhra Pradesh are expecting good crop in these states. However, the ongoing rainfall in Karnataka and Andhra Pradesh if do not stops within few days there may be some fear of disease attack in these states.

The heavy import of edible oils in this month put pressure on the prices of groundnut oil and seeds.

The prices of groundnut are likely to maintain the steadiness in the coming few days.

The rate of the Export Quality (80-90 Count) groundnut is Rs. 2875 per quintal, the bold (60-70 Count) is Rs. 3075 per quintal, the 50-60 count seed is Rs. 2920 and for 40-50 count the rate is Rs. 2475 in Mumbai market.

## CBOT

### CBOT Soy Futures Lowered Ahead of Crucial USDA Figures on Declining Export Figures

Pre-crop report position squaring produced a quiet two-sided trading session on Thursday, with Chicago Board of Trade soybean futures finishing the day at modestly lower levels. The trade remained choppy ahead USDA Crop Production and Supply/demand reports, but the outlook for favourable weather helped pressure the market late. The average of analysts' estimates surveyed by Dow Jones Newswires pegged 2005 soybean production at 76.26 million tonnes with a yield of 2.68 tonne per hectare. Carryout for 2004-05 was pegged at 8.06 million tonnes and 2005-06 carryout at 4.57 million tonnes.

Weekly export sales for soybeans, released before the opening, came in at 154,000 metric tonnes, which was considered neutral against expectations. Meal sales came in at 43,300 metric tonnes, which was below the range of expectations. Cumulative sales have reached 88.9% of the USDA forecast for the season as compared to 93.6% on average over the last five years. Oil sales were 13,300 metric tonnes as compared to trade expectations between 1,000-5,000.

Deliveries against the August contract came in at 68 lots this morning with 165 oil deliveries.

Bearish weather pattern with scattered showers expected to provide beneficial moisture to soybean crops across the Midwest through the weekend managed to apply mild pressure to prices. Speculative selling was keynote in soybean's ability to end lower, with Fimat a consistent seller throughout the day.

In trading, ADM Investor Services bought 400 November, Man Financial and Rand Financial each bought 300 November, Refco bought 700 November. ABN Amro, Citigroup, Rand Financial and Refco each sold 300 November, while Fimat sold 2,000 November. Commodity funds were estimated sellers of 1,000 contracts.

The US soybean is expected to trade on the higher side on Friday evening amidst increasing expectation of bullish monthly crop progress report.

#### CBOT Soybean futures as 11 August 2005 (Cents/bushel)

Months	Previous Settle	Open	High	Low	Change	Close
Aug'05	643.4	642.0	647.0	641.0	-2.4	641.0
Oct'05	645.6	644.0	648.0	642.4	-2.4	643.2

CBOT remains closed on Saturday and Sunday.

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### South American Soybean Continued Lower on Increased Deliveries Pressure

November CBOT soybeans traded slightly lower in quiet trade overnight. There were 68 contracts delivered for soybeans this morning and 165 of oil. The South American soybean market's focus is still on the US crop size and the USDA report on Friday. The high input cost and high-energy prices could begin to cause producers to have second thoughts about expanding plantings for the coming season.

Some analysts are looking for a drop of near 2-3% in planted area, with many looking for similar plantings to last year. China imported 2.86 million tonnes of soybeans in July, which brought the Jan-July total to 15 million tonnes, up 38.4% from last year's pace.

Malaysia palm oil producers are targeting Europe for increased bio-diesel exports in the years ahead. Global demand for green fuels was 2.5 million tonnes last year, and it is expected to grow about 25% per year.

The market is awaiting Friday's USDA Supply/Demand and Crop Production reports to determine the starting point for the coming marketing year. Heavy rains are expected for Iowa and Northern Illinois and for much of the northern and western areas of the US Corn Belt over the next few weeks, and the market is already anticipating a larger production forecast for September than what it expects for Friday. If the average trade estimate for soybean production is correct (2.804 billion bushels) and there are no changes made to the demand outlook (2.973 billion bushels), ending stocks for the 2005/2006 season could come in near 121 million bushels, which would be the second lowest in the past 29 years. Last fall the USDA projected ending stocks at around 450 million bushels, but solid demand has lowered the 2004/2005 ending stocks to down near 290 million bushels.

The southern Midwest and Arkansas yields are still in question, as their recent hot and dry weather will need to be followed by good rains over the next two weeks, or else yields could be clipped. Monday's USDA weekly crop progress report showed that 51% of the nation's crop is in good to excellent condition as compared with 73% last year at this time.

The Latin American soybean market is expected to trade marginally bullish amidst expectation of lower soybean production in US.

#### Forex Rates

(As on 12.08.2005)

Country/Continent	Currency	Value in Rupees
USA	Dollar	43.60
Malaysia	Ringgit	11.62
European Union	Euro	54.33
United Kingdom	GBP	78.98
Japan	100 Yen	39.71