

## OILSEED

05<sup>th</sup> August 2005

- Rapeseed Market Improved Marginally on Increased Buyers' Support

### TECHNICAL ANALYSIS

#### COMMODITY: MUSTARD SEED

Perspective: Very Short Term

##### NCDEX August Contract

**Rapeseed August Contract** opened firm and traded marginally higher for the day and closed above the opening amidst increased support from the buyers.

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

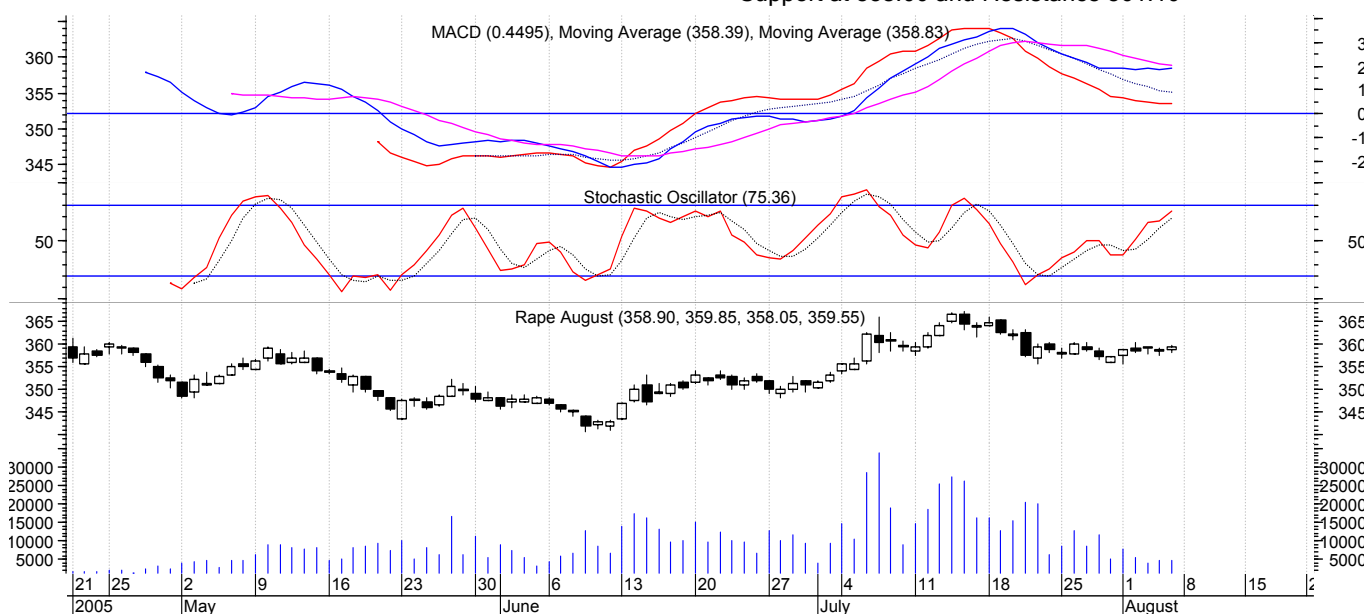
Currently the MACD is bearish since it is trading below its signal line. The MACD crossed below its signal line 12 period(s) ago. Since the MACD crossed its moving average, Rape August's price has increased 0.56% and has ranged from a high of 363.15 to a low of 355.60. The 7-Day MA continued upward showing the rising strength in the prices while the 14-Day MA continued downward hinting to the existing weakness in the prices.

##### Market advice:

Trade is expected to open and trade range bound on the higher side for Saturday. Buy with short-term outlook.

##### Advisable trade limits:

Support at 358.00 and Resistance 361.10



#### COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

##### NCDEX August Contract

**Soybean seed August Contract** opened weak traded range bound for the day amidst estimate of support from the soybean oil market.

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

Currently the MACD is bearish since it is trading below its signal line. The MACD crossed below its signal line 9

period(s) ago. Since the MACD crossed its moving average, August Soybean's price has decreased 2.27% and has ranged from a high of 1347.00 to a low of 1294.00.

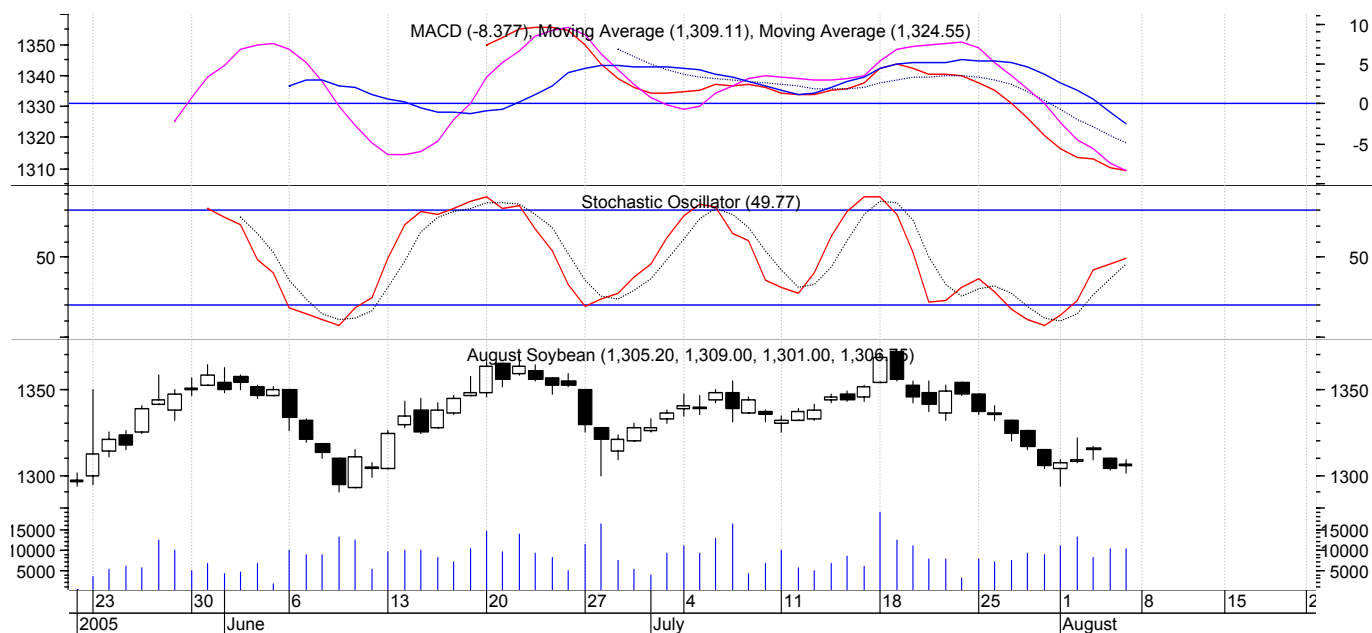
The 14-Day MA continued lower along with the 7-Day MA supporting the existing weakness in the market prices.

##### Market advice:

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

##### Advisable trade limits:

Support at 1301.00 and Resistance at 1311.00



## DOMESTIC MARKET COMMENTARY

### Soybean:

The domestic market opened higher witness partial upward correction but traded on the lower side towards the end of the day amidst increased selling and pressure from the lack of demand in the retail market.

The international market traded range bound amidst increased uncertainty in the US crop weather, 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 range bound. At the time of closure the NCDEX August Soybean Contract was at Rs. 1306.75 (Up by Rs. 2.70).

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

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 continue lower for Saturday amidst declining support from the buyers.

### Rapeseed/Mustard:

The rapeseed market today continued upward in the futures markets amidst increased buying support and wide spread 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 Saturday as the buyers' support is expected to continue on the higher side.

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

Markets	Prices	Arrivals (Bags)
Jaipur (C)	1810-1815	-
Alwar(C)	1715-1720	1500
Delhi(C)	1810	2500
Agra(C)	1860	-
Sri Ganganagar (NC)	1570-1575	500
Kota (NC)	1580-1600	1000

### Groundnut

Groundnut continued upward amidst declining supplies and th existing uncertainty in the other edible oil markets.

The continuing flooding situation in the major growing areas of Gujarat owing to heavy rains and opening of major dams expected to cause damage to the crop roots 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 other edible oil markets, the price moved lower providing no major support to the groundnut prices.

The domestic market is expected to continue trading range bound on Saturday 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 05 August 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	Aug	344.90	345.00	346.20	344.90	+0.60	345.50
Delhi	Nov	340.70	340.60	342.30	340.60	+0.70	341.40
Hapur	Aug	367.40	367.50	369.00	367.50	+1.00	368.40
Hapur	Nov	362.40	362.35	364.30	362.35	+1.20	363.60
Bikaner	Aug	349.00	349.00	349.00	349.00	+0.00	349.00
Hisar	Aug	335.80	336.30	337.20	336.10	+1.00	336.80
Hisar	Nov	334.70	335.00	336.20	335.00	+1.10	335.80

## CBOT

### CBOT Soy Futures Improved Modestly Amidst Support from Weekly Export Figures

Soybean futures at the Chicago Board of Trade ended modestly higher on Thursday, quietly consolidating Wednesday's sharp declines amid the absence of fresh market moving news.

The rainfall from the system moving through the Midwest yesterday and today appears to be missing the areas that need it. Rains of 0.25 to 1.0 inches moved across the western Corn Belt last night with heaviest rains falling in northern Iowa and southern Minnesota. Only scattered showers are expected in the eastern part of the belt from this system.

Weekly export sales came in at the bullish end of expectations but the weather outlook was mixed. As per the export sales for soybeans came in at 116900 metric tonnes for the current crop and 133700 for new for a total of 250600, which was above trade expectations. Cumulative sales for the 2004/05 crop have reached 100.0% of the USDA forecast as compared to 103.2% on average over the last five years.

The sideways price theme was consistent from the outset, with concerns over summer dryness in the Midwest and reports of light showers moving across key areas of the soybean belt overnight and Thursday afternoon keeping traders on edge.

The US soybean is expected to trade marginally high for today evening amidst support from the weekly export figures.

### CBOT Soybean futures as 04 August 2005 (Cents/bushel)

Months	Previous Settle	Open	High	Low	Change	Close
Jul'05	670.0	671.0	675.4	668.4	1.2	671.2
Aug'05	675.2	674.4	694.0	672.4	0.2	675.4

CBOT remains closed on Saturday and Sunday.

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### South American Soybean Continued Range Bound Following Fluctuating Weather Forecast in US

November soybeans traded range bound in fairly volatile trade for an overnight session. The US crop is in a critical stage of growth and is reacting each day to changes in the weather forecast, and as a result its price action is tending to dominate the South American market.

The spread has more or less followed the peaks and valleys in the US contract as the outlook for the US crop changed with the weather throughout the summer.

As opposed to corn, the US soybean market has to give a little more credence to the potential for deterioration in crop conditions, but the market also realizes that the bean crop maintains significant resiliency in its conditions. With the latest US crop conditions report showing good/excellent ratings at almost the mid point of the historical high and low extremes, it is apparent that conditions are vulnerable. To add to the either way potential in prices is the fact that the US Midwest weather is oscillating between cool and hot and also between wet and dry.

While many would suggest that periodic moisture will bring the crop through the critical window, there is catch up needed and that gives the bull camp a very minor edge. Giving the bulls an added edge is the fact that news services this morning are circulating rumors of some rust spores in Illinois.

With the international and export news mostly coming in as a slight negative, the focus on the market could turn to the Tuesday rain event. In conclusion, the market pushed up prices because the Thursday event isn't expected to mean much, but with the next Tuesday rain hopes coming into focus, the bulls don't have much of an edge.

With a Chicago weather forecaster acknowledging the potential for heavier rainfall totals next Tuesday than is expected in the Thursday moisture event, it is hard to differentiate between a pattern that is going to stress the crop and one that is a greenhouse. The Latin American soybean market is expected to trade marginally bullish today evening amidst report of decline in the weekly export sales of US.

### Forex Rates

(As on 05.08.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.50
Malaysia	Ringgit	11.60
European Union	Euro	53.80
United Kingdom	GBP	77.31
Japan	100 Yen	38.98