

OILSEED

20th August 2005

- Rapeseed Prices Improved in Electronic Trading

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX September Contract

Rapeseed September Contract Soybean seed September Contract opened higher today. The contract after that went up smoothly and formed a long 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 still above the price line.

Market advice:

Presently the scenario is indicating towards the partial recovery. Therefore, trade with a view to gain in short-term by buying.

Advisable trade limits:

Support at 350.00 and Resistance 355.20



COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX September Contract

Soybean seed September Contract opened slightly lower today. The contract after that went up smoothly and formed a long 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.

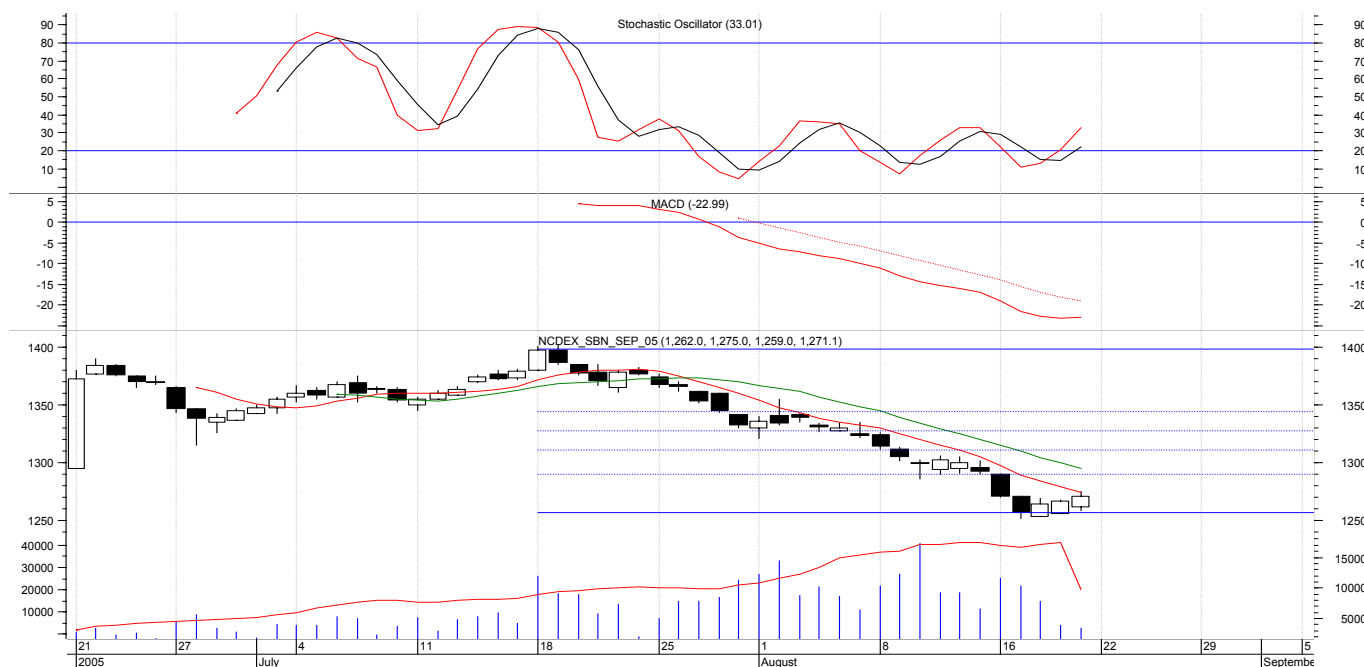
Both the 14 day and 7 day MAs are going down smoothly and the faster MA is below than the slower MA. Both the MAs are still above the price line. The RSI is in the oversold region.

Market advice:

The fast indicators are indicating towards the further improvement. Buy with a short-term outlook.

Advisable trade limits:

Support at 1256.00 and Resistance at 1275.00



DOMESTIC MARKET COMMENTARY

Soybean:

Soybean prices improved today slightly. There was improvement in the demand today that pushed the prices up. The improved demand in the DOC helped the prices to go up. The delay in shipments containing palm oil also boosted the temporary demand for soybean oil and seeds.

The soy oil prices at the NBOT, Indore improved today significantly.

The soybean futures at the CBOT however, today declined significantly on speculative selling.

The soybean futures at the NCDEX opened on the lower side but improved thereafter.

Throughout the trading at the NCDEX the September contract improved amid some recovery in demand. The contract today closed near the day's high. Today the NCDEX septt Soybean Contract closed at Rs. 1271.05 (Up by Rs.4.05).

The price of soybean in Kota market was quoted at Rs. 1240 per quintal. In Madhya Pradesh it was Rs. 1250, in Karnataka it was Rs. 1200 and in Maharashtra it was Rs. 1235.

The present strength is temporary and not likely to sustain for long time.

Rapeseed/Mustard:

Rapeseed prices in the major markets of the country today declined amid lack of buying supports. The mandis in Rajasthan witness medium arrival of stocks.

The major stock is with the NAFED who is reluctant to sell its stocks in low prices. Buyers are on the other hand do not want to buy at the offered prices.

The vayda prices in major exchanges however, improved today significantly. At the NCDEX also the September contract went up smoothly.

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

The present improvement is likely to be short lived. No significant improvement is expected in the prices of rapeseed ahead.

Status of Price & Supply of the New Crop

Markets	Prices (Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1775-1780	15000
Alwar(C)	1680-1685	700-800
Delhi(C)	1780	700
Agra(C)	1875	-
Sri Ganganagar (NC)	1550	500
Kota (NC)	1560-1585	2000

Vayda Quotes

Mustard futures as on 20 August 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	Aug	341.50	342.2	343.0	342.2	+2.8	344.3
Delhi	Nov	334.70	334.9	337.5	334.9	+2.4	337.1
Hapur	Aug	363.40	364.2	366.0	364.2	+3.4	366.8
Hapur	Nov	354.90	355.2	360.1	355.2	+4.3	359.2
Bikaner	Aug	348.00	348.0	348.1	348.0	+0.1	348.1
Hisar	Aug	331.50	332.4	335.1	332.2	+3.6	335.1
Hisar	Nov	331.40	331.9	335.7	331.9	+4	335.4

Groundnut

Weakness continued in the groundnut markets today in the major producing areas of the country. The demand is not good. The stock position is not good. Even then the demand is not there.

The coming crop size is expected to be good enough to cover the demand. The major concern is the mixing in oil. Pure quality groundnut oil is not being sold in the market. The market is flooded with the bad quality oil.

Good rainfall in Gujarat, Karnataka and Andhra Pradesh are seen as the beneficial for the crop.

Adding to the pressure the import of edible oil in the huge amount also is pressurising the groundnut prices.

In this scenario the prices of groundnut are likely to remain weak in the coming days also.

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. 2900 and for 40-50 count the rate is Rs. 2450 in Mumbai market.

CBOT

CBOT Soy Futures Lowered Significantly on Increased Speculative Selling

Soybean futures on the Chicago Board of Trade stumbled to three-month lows on Friday, succumbing to speculative liquidation pressure attributed to favorable near- and longer-range weather outlooks.

Good growing conditions and increased speculative selling drove the market sharply lower and to the lowest level since May 13th (604 is May lows for November soybeans). Good rains across the Midwest on Thursday with more rains for Saturday along with mild temperatures for next week could trigger an improvement in crop conditions for Monday's weekly update and again for a week from Monday as rain is expected to boost soybean yields.

Gulf basis was lower with talk of the start of the harvest in Mississippi and Louisiana and a slow export line-up helping to pressure. Talk of further liquidation of fund long positions added to the negative tone.

In trades, Cargill and Fimat each bought 500 November. Term Commodities, ABN Amro, Rand Financial and Refco were each moderate buyers during the day. Bunge Chicago, Prudential Financial, Citigroup and Man Financial each sold 500 November, Cargill Investor Services, Fimat and Shatkin/Arbor each sold 1,000 November, RJ O'Brien and Rand Financial each sold 600 November, and Refco sold 700 November.

The US soybean is expected to continue on the lower side on Monday evening amidst continuously improving crop weather.

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.

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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 tones, 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	43.56
Malaysia	Ringgit	11.58
European Union	Euro	54.47
United Kingdom	GBP	78.62
Japan	100 Yen	39.56