

OILSEED

04th August 2005

- Rapeseed Market Traded Marginally Higher Amidst Growing Buyers Support

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX August Contract

Rapeseed August Contract opened firm but, traded lower for the day and closed above the opening amidst 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 continued up in neutral region indicating the rising strength in the market prices.

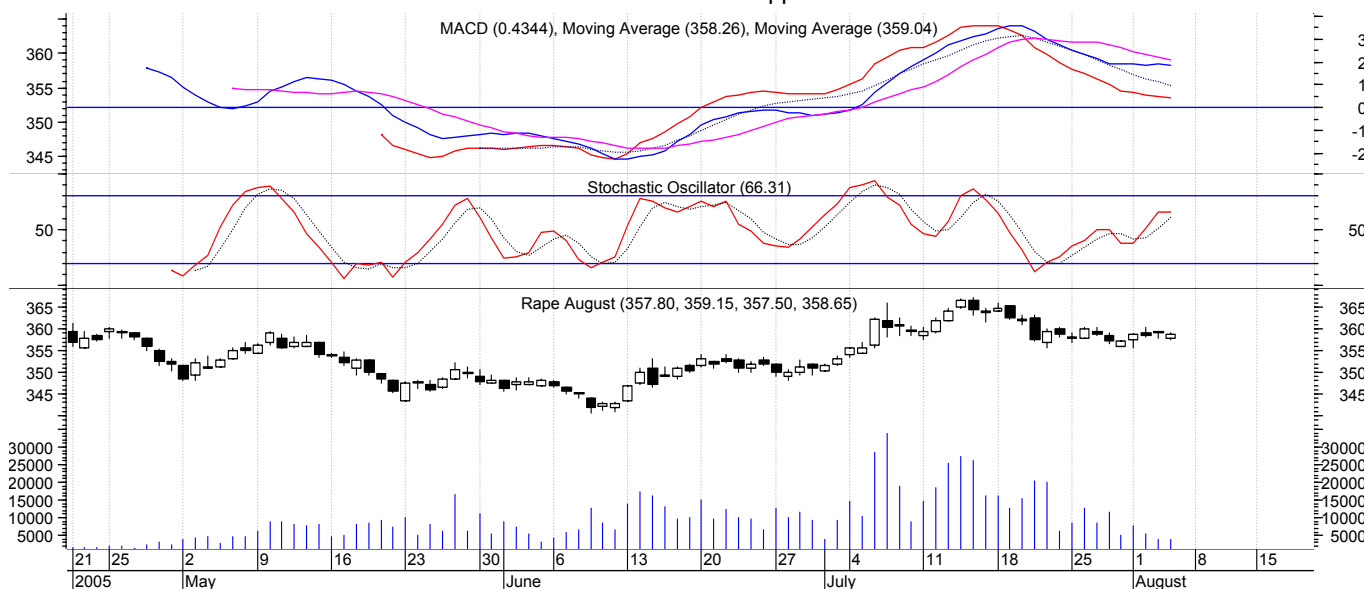
Currently the MACD is bearish since it is trading below its signal line. The MACD crossed below its signal line 11 period(s) ago. Since the MACD crossed its moving average, Rape August's price has increased 0.31% and has ranged from a high of 363.15 to a low of 355.60. The 7-Day MA turned upward showing the rising strength in the prices while the 14-Day MA continued downward hinting to the continuing weakness in the prices.

Market advice:

Trade is expected to open and trade range bound with partial improvement for Friday. Do not make fresh entry.

Advisable trade limits:

Support at 357.40 and Resistance 361.10



COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX August Contract

Soybean seed August Contract opened weak and continued further lower for the day amidst estimate of increased area under the crop as per SOPA.

Stochastic Oscillators: The %K - line continued up in the neutral region indicating to the growing 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 8

period(s) ago. Since the MACD crossed its moving average, August Soybean's price has decreased 2.58% and has ranged from a high of 1347.00 to a low of 1294.00.

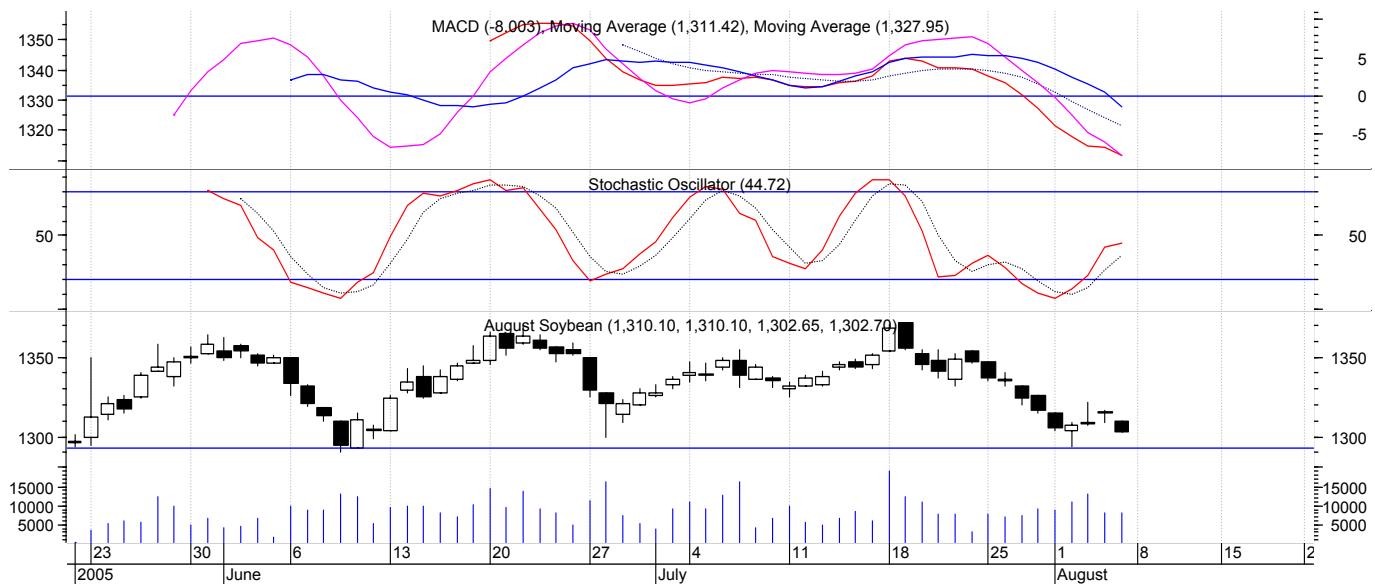
The 14-Day MA continued lower along with the 7-Day MA hinting to the existing weakness in the market prices.

Market advice:

Market is expected to open weak but trade range bound for Friday. Do not make fresh entry, as the market is highly volatile. Look for concrete direction before investing.

Advisable trade limits:

Support at 1293.00 and Resistance at 1310.00



DOMESTIC MARKET COMMENTARY

Soybean:

The domestic market opened weak and traded further on the lower side for the day amidst increased profit booking at Indore and increased selling by the domestic traders.

The international market traded lower amidst profit booking and wide spread uncertainty in the soybean crop weather. The expectation of more rains in Midwest region of US triggered increased weakness in the market. The US market is now dwindling between prospects of increased rains and declining export potentials. Following the international weakness, the domestic trade moved in the negative direction. At the time of closure the NCDEX August Soybean Contract was at Rs. 1302.70 (Down by Rs. 12.20).

As per the latest production and acreage figures released by the SOPA, the total area sown has reached 70.40 lakh hectares compared to the last year figures of 69.52 lakh hectares. This increase in the area along with good rains in the states growing soybean triggered weakness in the futures market.

The Hazir markets continued range bound following the increased uncertainty at the futures.

The price of soybean in Kota market was quoted at Rs. 1260 per quintal. In Madhya Pradesh it was Rs. 1320, in Karnataka it was Rs. 1250 and in Maharashtra it was Rs. 1230.

The market is expected to continue lower for Friday amidst declining support from the buyers following the recent SOPA's acreage estimates.

Rapeseed/Mustard:

The rapeseed market today improved marginally in the spot as well as in the futures markets amidst increased selling 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.

Today the mustard arrival was 0.15-0.20 lakh bags in Rajasthan, which is on the lower side.

The rapeseed market is expected to continue range bound with marginal improvement on Friday as the buyers' support is expected to continue on the rising side.

Status of Price & Supply of the New Crop

Markets	Prices	Arrivals (Bags)
Jaipur (C)	1810-1815	-
Alwar(C)	1715	1000-1500
Delhi(C)	1820	1000
Agra(C)	1840-1860	-
Sri Ganganagar (NC)	1570-1575	500
Kota (NC)	1575-1610	500-700

Groundnut

Groundnut improved marginally at few centres amidst declining supplies.

Heavy rains in the major growing areas of Maharashtra and Gujarat have led to the uncertainty in the prospects of the new crop. These rains are 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 Friday amidst growing uncertainty in the 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 04 August 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	Aug	344.50	344.00	345.00	344.00	0.40	344.90
Delhi	Nov	340.60	340.00	341.00	339.90	0.10	340.70
Hapur	Aug	367.30	367.00	367.80	367.00	0.10	367.40
Hapur	Nov	362.70	362.00	363.00	361.70	-0.30	362.40
Bikaner	Aug	349.00	349.00	349.00	349.00	0.00	349.00
Hisar	Aug	334.30	334.00	336.50	334.00	1.50	335.80
Hisar	Nov	334.00	332.50	334.80	332.50	0.70	334.70

CBOT

CBOT Soy Futures Plunged on Weak Technical and Rumbblings Rains

Soybean futures on the Chicago Board of Trade ended sharply lower Wednesday, with technical weakness and rumbblings of rain potential for the Midwest uncorking a wave of speculative selling.

November soybeans sold off throughout the day, giving back all of yesterday's gains and then some. It would appear that by the end of the day the trade was giving more credence to the possibility of increased moisture next week than it was on the opening today.

With the soybean crop at a critical pod-filling stage and needing moisture, the weather outlook can best be described as guarded. The current forecasts call for some moisture to move through the Corn Belt today and tomorrow, followed by a brief respite from the recent heat and then a return to hot temperatures over the weekend.

The USDA reported that there were a few rust-like spores showing up in Illinois but that the sample size was too small to confirm that it was soybean rust. A plant pathologist has commented that this year's the crop is too mature to be affected by the disease.

For the weekly export sales report due out before the opening tomorrow, trade estimates range from 75,000 to 175,000 tonnes for soybeans, 50,000 to 100,000 for soy meal and 1,000 to 6,000 for bean oil.

Longer-range weather models show a somewhat better rain potential for the Midwest, with the possibility for some subtle changes in the weather pattern next week that may allow some scattered showers to develop on a more regular basis.

The US soybean is expected to continue with its choppy trading sessions in the coming days amidst wide spread contradicting weather forecasts and declining export potentials.

CBOT Soybean futures as 03 August 2005 (Cents/pound)

Months	Previous Settle	Open	High	Low	Change	Close
Jul'05	689.4	690.4	694.0	670.0	-19.4	670.0
Aug'05	694.4	694.0	699.0	675.2	-19.2	675.2

CBOT remains closed on Saturday and Sunday.

South American Soybean Traded Range Bound Amidst Lack of Clear Directions

November soybeans traded between 7 lower and 4 higher 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.

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.

Giving the bulls an added edge is the fact that news services this morning are circulating rumors of some rust spores in Illinois. Slightly higher palm oil pricing overnight also lends some support to prices, but it is clear that the bull moves are sluggish and volume and open interest hasn't really supported the rise off the July lows.

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 continue range amidst widespread uncertainty in crop weather.

Forex Rates (As on 03.08.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.51
Malaysia	Ringgit	11.60
European Union	Euro	53.04
United Kingdom	GBP	77.06
Japan	100 Yen	38.98

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.