

OILSEED

13th August 2005

- Rapeseed Prices Declined on Increased Selling Pressure and Declining Demand

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX August Contract

Rapeseed August Contract opened weak and traded range bound on lower side for the day amidst increased selling amidst growing uncertainty in the other edible oil markets and declining retail demand.

Stochastic Oscillators: The %K - line continued lower in the neutral region indicating to the weakness in the market. The % D-line also moved further down in neutral region indicating the declining strength in the market prices.

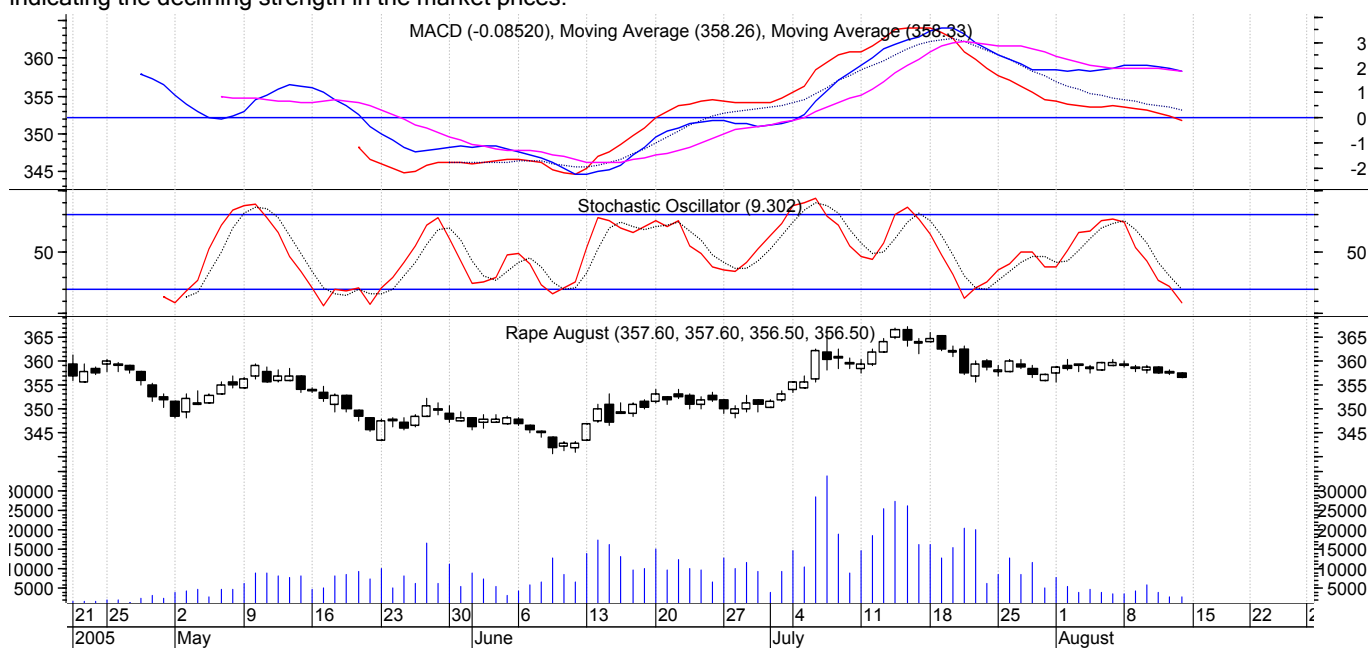
Currently the MACD is bearish since it is trading below its signal line. The MACD crossed below its signal line 19 period(s) ago. Since the MACD crossed its moving average, Rape August's price has decreased 0.29% and has ranged from a high of 363.15 to a low of 355.60. The 7-Day MA continued lower along with the 14-Day MA hinting to the continuous weakness in the prices.

Market advice:

Market is expected to continue range bound in the negative side for Tuesday. Avoid new entry, as the market would be closed for a longer weekend.

Advisable trade limits:

Support at 355.90 and Resistance 358.00



COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX August Contract

Soybean seed August Contract opened weak and traded range bound on the lower side amidst increased uncertainty in the edible oil markets and declining demand.

Stochastic Oscillators: The %K - line continued up in the neutral region indicating to the changing sentiments in the market. The % D-line also moved up in the neutral region supporting downward in the market.

Currently the MACD is bearish since it is trading below its signal line. The MACD crossed below its signal line 16

period(s) ago. Since the MACD crossed its moving average, August Soybean's price has decreased 4.50% and has ranged from a high of 1347.00 to a low of 1266.10.

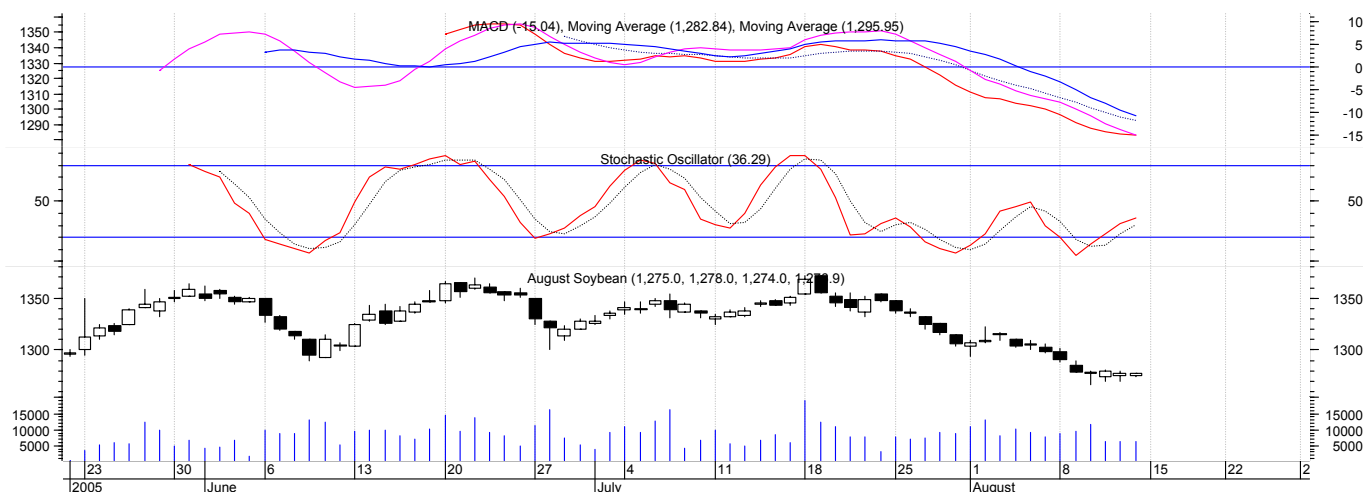
The 14-Day MA continued lower along with the 7-Day MA supporting the extended weakness in the market prices.

Market advice:

Market is expected to open range bound and trade lower for Tuesday. Do not make fresh entry at this point.

Advisable trade limits:

Support at 1270.00 and Resistance at 1280.00



DOMESTIC MARKET COMMENTARY

Soybean:

The domestic market opened weak and traded further lower for the day amidst increased selling and the approach of the final cut at the NBOT exchange.

The US soybean market traded significantly lower in spite of the bullish monthly crop progress report, which projected a lower production for current soybean crop. The new estimate projected the total production of 75.93 million tonnes, which is well below the last year's production of 85.49 million tonnes. The trade sentiments traded high as the reports were released but soon dipped in the negative side as the news of improving weather crept in. The weather forecasters are still predicting good rains in the major growing areas, resulting in the sharp decline in the sentiments. The decline in the overall exports figures, reported in the weekly export report is also imparting unsteadiness in the US markets.

Following the increased weakness in the international markets the domestic market is also moved lower. At the time of closure the NCDEX August Soybean Contract was at Rs. 1276.90 (Down by Rs.0.80).

The trade at the domestic exchanges is greatly volatile on the following pressure of expected bumper soybean crop owing to good rains and the increased amount of imports of soybean oil at the ports.

In the month of August, India has imported about 1.29 lakh tonnes of soybean oil till 13.08.05. The Hazir markets continued range bound amidst increased uncertainty at the futures and declining retail demand.

The price of soybean in Kota market was quoted at Rs. 1180 per quintal. In Madhya Pradesh it was Rs. 1245, in Karnataka it was Rs. 1180 and in Maharashtra it was Rs. 1200.

The market is expected to open steady for Tuesday but continue lower amidst declining support from the buyers. Stay away from the market as most of the trading sentiment is to be governed by the price movement in the international markets on Monday.

Rapeseed/Mustard:

The rapeseed market today continued range bound on the lower side in the domestic markets and the futures amidst

declining buying support and continuing deadlock between the traders and the NAFED regarding the sale of mustard in the market.

Today the mustard arrival was 0.20 lakh bags in Rajasthan.

The rapeseed market is expected to continue range bound with marginal improvement on Tuesday, as the buyers' support at the exchange is expected to improve marginally. Avoid new entry as the market is closing for a longer weekend.

Status of Price & Supply of the New Crop

Markets	Prices	Arrivals (Bags)
Jaipur (C)	1790-1795	-
Alwar(C)	1710-1715	200-300
Delhi(C)	1800	700
Agra(C)	1860	-
Sri Ganganagar (NC)	1550	500
Kota (NC)	1580-1590	1000

Groundnut

Groundnut today improved marginally ahead to the long weekend closure amidst continuing uncertainty regarding the supply in the market and existing low retail demand.

The latest sowing progress of the groundnut seed shows that the crop acreage is still down by 6.53 per cent over the last year. The current acreage is 50.24 lakh hectares against the last year coverage of 53.52 lakh hectares (08.08.05).

The heavy import of the other edible oil in the domestic market has also pressured the market. Till 13.08.05 the country has imported 2.96 lakh tonnes of edible oil (palm oil & soybean oil).

The domestic market is expected to continue trading range bound on the positive side on Tuesday amidst growing uncertainty in edible oil markets and low retail demand.

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. 2950 and for 40-50 count the rate is Rs. 2485 in Mumbai market.

Vayda Quotes

Mustard futures as on 13 August 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	Aug	343.80	343.75	343.75	343.50	-0.80	343.00
Delhi	Nov	338.50	338.50	338.50	337.90	-0.30	338.20
Hapur	Aug	366.40	366.00	366.20	365.60	-0.80	365.60
Hapur	Nov	360.90	360.25	360.40	359.50	-1.20	359.70
Bikaner	Aug	348.00	348.00	348.00	348.00	0.00	348.00
Hisar	Aug	335.10	334.80	334.80	334.50	-0.60	334.50
Hisar	Nov	334.70	334.30	334.50	334.20	-0.20	334.50

CBOT

CBOT Soy Futures Traded Range Bound on Weather Concerns In Spite of Bullish Crop Report

Soybean futures at the Chicago Board of Trade ended a volatile two-sided session modestly lower Friday, chopping around with near-term weather overshadowing longer-term supportive crop data from U.S. Department of Agriculture.

The news from the USDA was enough to trigger the early break but a lack of follow-through selling, the outlook for poor weather to return to the southern Midwest and continued poor growing conditions in Arkansas into next week helped support the strong turn around.

The USDA pegged soybean Crop Production at 2.791 billion bushels as compared with trade expectations at 2.8 billion bushels (range 2.744-2.857). Last years crop was 3.14 billion bushels. Ending stocks for the 2005/2006 season were pegged at 180 million bushels as compared with the average trade estimate at 172 million bushels (range 115-210) and last month's estimate at 210 million bushels.

The US production was slightly lower than expected but the 20 million bushels adjustment lower in crush and 40 million lower in export usage was enough to keep ending stocks at an acceptable level. With uncertainty on weather for late next week and into the following week and deteriorating crop conditions since the August 1st (as of) date for the crop production estimate, the market found new buying support from the lower opening today.

The US soybean is expected to trade on the higher side on Monday evening amidst increasing uncertainty in crop weather.

CBOT Soybean futures as 12 August 2005 (Cents/bushel)

Months	Previous Settle	Open	High	Low	Change	Close
Aug'05	641.0	634.0	654.0	634.0	2.0	643.0
Oct'05	643.2	638.0	654.4	638.0	-2.8	640.4

CBOT remains closed on Saturday and Sunday.

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South American Soybean Improved Marginally on Bullish Monthly Crop Progress Report of US

November South American soybeans have been gaining on November US soybeans, and the spread closed at 357.5 cents premium to South America yesterday. The South American soybean market's focus is still on the US crop size, which has been on the bullish side. 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.

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.

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.

Fund activity yesterday was slow for soybeans and meal, but funds were noted sellers of nearly 2,000 contracts of oil. With the dollar at a 40-month low against the Brazilian real, cash prices were lower and trade is very slow. Prices at Paranagua came in at 550 real yesterday, down 8.3% from the previous week. South Korea is tendering for 55,000 tonnes of optional origin meal. US weekly export sales for soybeans came in at 154,000 tonnes, which was as expected. Meal sales were below expectations at 43,300 tonnes and oil sales were well above expectations at 13,300 tonnes.

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

Forex Rates

(As on 13.08.2005)

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.58
Malaysia	Ringgit	11.62
European Union	Euro	54.21
United Kingdom	GBP	79.08
Japan	100 Yen	39.84