

OILSEED

09th August 2005

- Rapeseed Prices Declined Marginally Amidst Declining Retail Support

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX August Contract

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

Stochastic Oscillators: The %K - line dipped marginally in the neutral region indicating to the unsteadiness in the market. The % D-line also moved down in neutral region indicating the declining strength in the market prices.

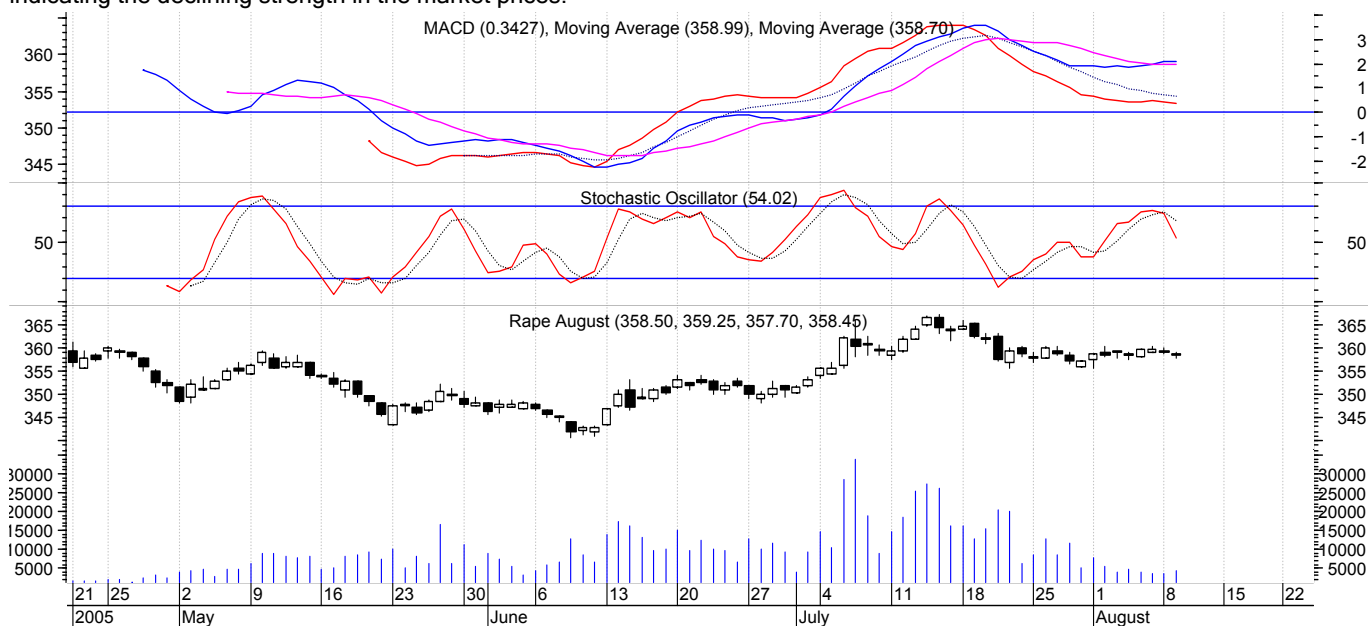
Currently the MACD is bearish since it is trading below its signal line. The MACD crossed below its signal line 15 period(s) ago. Since the MACD crossed its moving average, Rape August's price has increased 0.25% and has ranged from a high of 363.15 to a low of 355.60. The 7-Day MA dipped marginally along with the 14-Day MA hinting to the declining sentiments in the prices.

Market advice:

Market is expected to continue range bound on the lower side for Wednesday. Sell with short-term outlook.

Advisable trade limits:

Support at 356.80 and Resistance 359.60



COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX August Contract

Soybean seed August Contract opened weak and traded further lower for the day amidst declining support from the soybean oil market and panic selling at the exchanges.

Stochastic Oscillators: The %K - line continued lower in the neutral region indicating to the weakness in the prices. The % D-line also moved lower 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 12

period(s) ago. Since the MACD crossed its moving average, August Soybean's price has decreased 4.39% and has ranged from a high of 1347.00 to a low of 1278.10.

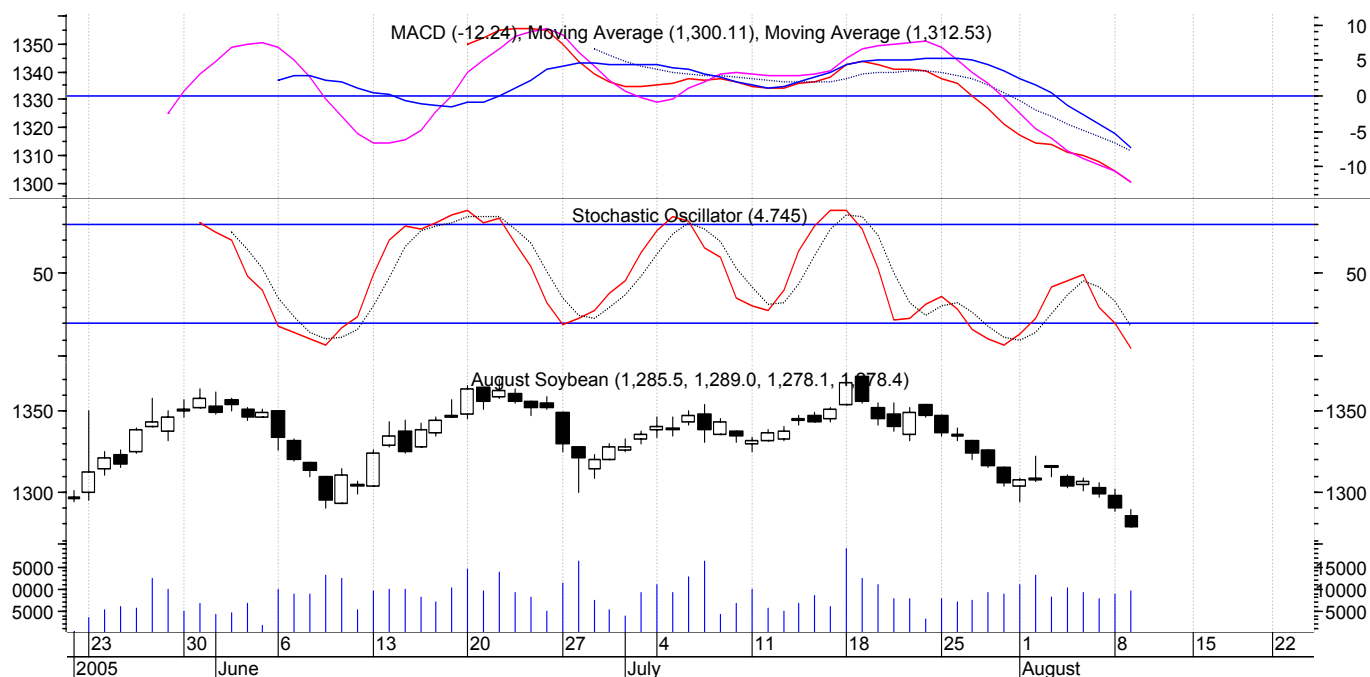
The 14-Day MA continued lower along with the 7-Day MA supporting the extended weakness in the market prices.

Market advice:

Market is expected to open range bound and trade lower for Tuesday. Look for concrete direction before investing.

Advisable trade limits:

Support at 1273.00 and Resistance at 1298.00



DOMESTIC MARKET COMMENTARY

Soybean:

The domestic market opened weak and traded significantly on the lower side for the day amidst increased selling pressure and consistent lack of demand in the retail market.

The US soybean market is expected to open on a weak note but trade further lower as the trading progresses. The lower trade could be attributed to the expectation of good rains in the major growing areas and declining exports. Following the international uncertainty, the domestic market continued on the lower side. At the time of closure the NCDEX August Soybean Contract was at Rs. 1278.40 (Down by Rs.11.70).

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

In the month of August, India has imported about 1.19 lakh tonnes of soybean oil till 09.08.05. The Hazir markets continued range bound on the lower side amidst increased uncertainty at the futures and declining retail demand.

The price of soybean in Kota market was quoted at Rs. 1210 per quintal. In Madhya Pradesh it was Rs. 1250, in Karnataka it was Rs. 1190 and in Maharashtra it was Rs. 1220.

The market is expected to open lower for Wednesday and continue amidst declining support from the buyers and increased pressure from the imports.

Rapeseed/Mustard:

The rapeseed market today continued marginally lower in both the futures as well as the domestic markets amidst declining buying support and continuing uncertainty in the other edible oil markets.

The declining retail demand is pressuring the domestic prices. NAFED is inviting daily tenders, but the rate quoted is on the higher side (Rs. 1700.00) at which the domestic traders are reluctant to purchase.

Today the mustard arrival was 0.10 lakh bags in Rajasthan, which is on the lower side.

The rapeseed market is expected to continue range bound with marginal improvement on Wednesday, as the buyers' support is decline further.

Status of Price & Supply of the New Crop

Markets	Prices	Arrivals (Bags)
Jaipur (C)	1815	-
Alwar(C)	1725-1730	1000
Delhi(C)	1820	2000
Agra(C)	1865	-
Sri Ganganagar (NC)	1560	500
Kota (NC)	1570-1600	1500

Groundnut

Groundnut continued improving marginally amidst continuing uncertainty regarding the supply in the market and declining sentiments in the other edible oil markets.

The prospect of declining production is expected to impart bullishness in the market in the coming days. The latest sowing progress of the groundnut seed shows that the crop acreage is still down by 6 per cent over the last year. The current acreage is 50.24 lakh hectares against the last year coverage of 53.45 lakh hectares. The lower coverage of the crop was owing to the delayed onset of monsoon coupled with heavy rains in Gujarat and lower coverage in Karnataka and Tamil Nadu.

The domestic market is expected to continue trading range bound on the positive side on Wednesday amidst growing uncertainty in edible oil markets.

The rate of the Export Quality (80-90 Count) groundnut is Rs. 2880 per quintal, the bold (60-70 Count) is Rs. 3085 per quintal, the 50-60 count seed is Rs. 2965 and for 40-50 count the rate is Rs. 2490 in Mumbai market.

Vayda Quotes

Mustard futures as on 09 August 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	Aug	345.10	344.80	345.10	344.10	-0.60	344.50
Delhi	Nov	338.80	338.20	338.60	337.50	-1.00	337.80
Hapur	Aug	367.40	367.00	367.30	366.30	-0.60	366.80
Hapur	Nov	361.70	361.00	361.40	359.10	-1.90	359.80
Bikaner	Aug	349.00	348.00	348.00	348.00	-1.00	348.00
Hisar	Aug	335.30	334.70	334.70	334.00	-1.10	334.20
Hisar	Nov	333.00	332.20	332.30	331.30	-0.80	332.20

CBOT

CBOT Soy Futures Declined Marginally Amidst Concerns of Improving Crop Weather

Soybean futures at the Chicago Board of Trade ended modestly higher Monday but well off earlier highs, trimming advances down the stretch on wetter midday weather outlooks for the Midwest.

While Soybeans were higher Monday on concerns that hot and dry weather in the Midwest over the weekend and in the forecast for this week is raising will continue to raise concerns that the crop will not get enough moisture in the critical pod-filling stage it is clear from the back and forth price action that the trade isn't totally confident in its opinion.

There are forecasts calling for more rain later on this week, but some reports are calling for it to stay northwest of the areas that need it, but as the days pass, the chances of really improving the crop are diminishing.

Hot and dry forecasts with only the northern Midwest expected to be the beneficiary of any rains of significance this week sparked early strength in the market, with light technical buying from ideas Friday's declines were overdone adding the firm tone.

So far the market has apparently rejected last week's lows as being too cheap, given the uncertain outlook for the crop but it also clear that the market lacks enough fresh buying interest to totally give control to the bull camp. Weekly export inspections came in at 4.767 million tonnes, which was towards the upper end of expectations.

The US soybean is expected to trade on the lower side on Monday evening amidst increasing expectation of good crop weather in the coming days.

CBOT Soybean futures as 08 August 2005 (Cents/bushel)

Months	Previous Settle	Open	High	Low	Change	Close
Aug'05	658.4	669.0	670.0	660.4	+2.0	660.4
Oct'05	661.6	675.0	675.0	664.0	+2.6	664.2

CBOT remains closed on Saturday and Sunday.

South American Soybean Continued Up Amidst Increased Crop Stress in Illinois

November US soybeans 7-16 cents higher overnight, as more hot and dry over the weekend added stress to the soybean crop in Illinois and neighboring regions.

November South American soybeans sold off sharply on Friday, under pressure from steep declines in the Chicago contracts, which underwent massive fund liquidation after the weather forecast had turned a little wetter and spec longs got bailed out of their positions.

Asian interest in soybeans appears to be improving, with Japanese buyers said to be interested in covering ahead of the summer holidays and Taiwan looking to replenish stocks and tendering for 40,000-60,000 tons of US or South American soybeans.

The Brazilian real was holding just below new contract highs on Friday, which would be its highest level since April 2002. The Argentine government reported that its farmers finished harvesting the 2004/05 soybean crop last week, which was forecast at a record 38.3 million tonnes. The last USDA report put Argentina's production at 39 million tonnes.

The ongoing hot and dry conditions are having more of an impact on soybeans than on corn, but it seems that the trade is only half heartedly concerned about the near term hot and dry forecast for the US Midwest and even less concerned about adverse conditions at the end of August.

Little or no rain fell across the US Midwest over the weekend and temperatures reached the low 90s in many areas, further stressing the crop during its critical pod-filling stage. These conditions are expected to continue to at least Tuesday, but some relief may come after that. At least one forecaster is calling for increased chances of thundershower activity Wednesday through Saturday, but so far the forecasts are mixed.

Asian interest appears to be picking up with the drop on ideas that freight rates may have bottomed. Japanese buyers could be active this week, looking to book product ahead of the Summer Holidays. Cash markets closed steady in Argentina on Friday, as local demand offset declines in the Chicago futures. The Latin American soybean market is expected to continue marginally bullish amidst increased uncertainty in the US crop weather.

Forex Rates (As on 09.08.2005)

Country/Continent	Currency	Value in Rupees
USA	Dollar	43.55
Malaysia	Ringgit	11.62
European Union	Euro	53.99
United Kingdom	GBP	77.86
Japan	100 Yen	38.97

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