

OILSEED

23rd August 2005

- Rapeseed Spot Prices Remain firm Today

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX September Contract

Rapeseed September Contract opened higher today. However, after that prices fell steadily and formed a long black candle.

Stochastic Oscillators: The %K - line has just reached the overbought region. The %D-line is also following.

The MACD is in the bearish territory but it has made a bullish crossover with its EMA.

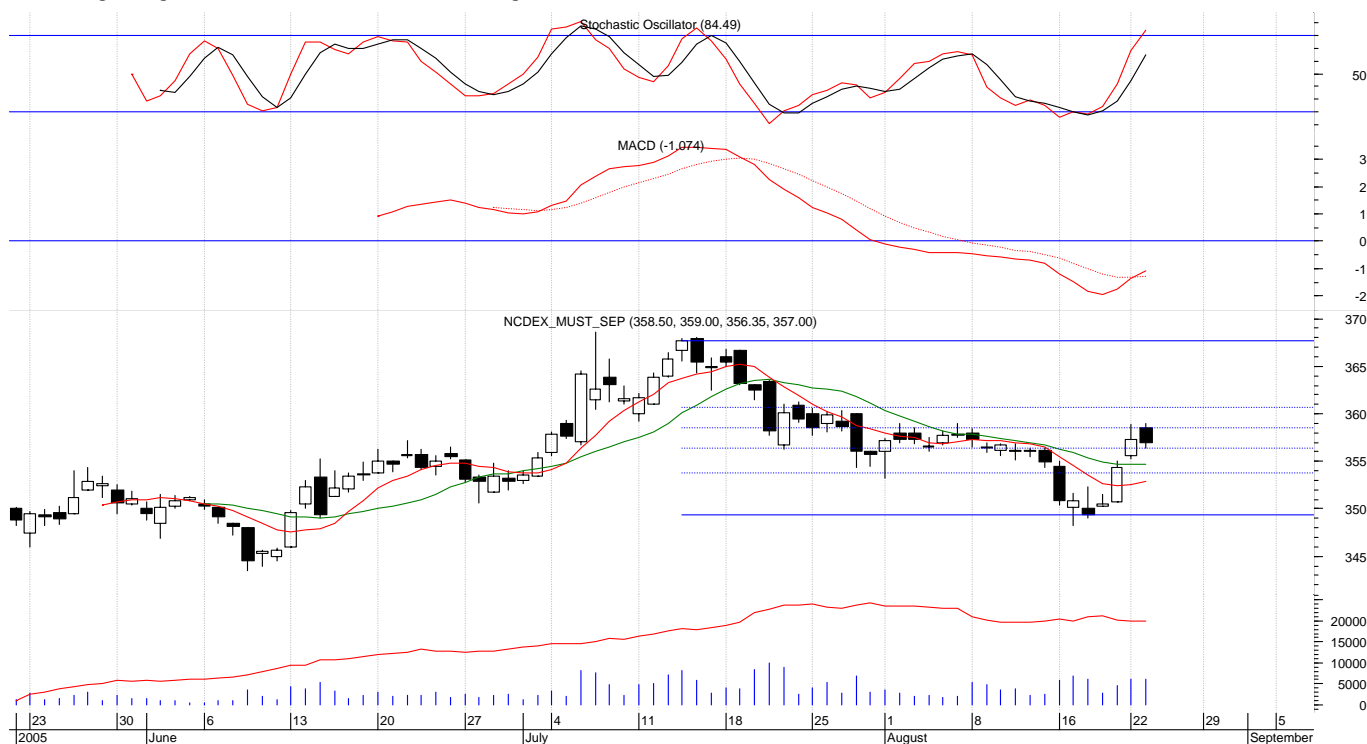
Both the 14 day and 7 day MAs remain flat. The MAs are below than the prices.

Market advice:

The indicators are not clearly indicating any direction of the prices. Trade cautiously keeping a weak overview.

Advisable trade limits:

Support at 355.50 and Resistance 358.50



COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX September Contract

Soybean seed September Contract opened higher today. But the contract declined throughout the day.

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 above the price line. The RSI (33) has just come out from the oversold region and remains flat.

Market advice:

There may be further weakness in the prices tomorrow. However, after that some partial improvement is likely.

Advisable trade limits:

Support at 1265.00 and Resistance at 1290.00



DOMESTIC MARKET COMMENTARY

Soybean:

Soybean prices continued the improvement today at the major spot markets. The DOC prices are good now. The prices of oil are also maintaining stable trend. Both these factors are supporting the seed prices. The sellers are pushing the prices up in view of taking profit from the futures.

Today however, the soy oil prices at the NBOT, Indore declined.

The soybean futures at the intra-day trading declined due to some technical correction. The closing was slight below the previous closing. The NCDEX September contract today closed at Rs1278.05 (Up by Rs.1.20).

The price of soybean in Kota market was quoted at Rs. 1240 per quintal. In Madhya Pradesh it was Rs. 1265, in Karnataka it was Rs. 1200 and in Maharashtra it was Rs. 1245.

The prices of soybean seed are expected to maintain the improvement at the spot markets.

Rapeseed/Mustard:

Rapeseed prices improved today also at the major spot markets. In the major mandis of Rajasthan the prices maintained the stable tone. Due to lack of supply the prices the firm undertone prevailed in the markets.

However, today in the major vayda exchanges the prices declined.

The vayda at the NCDEX also today declined after opening at a higher side. The market is cautious a little bit. There is no fundamental support at present. Only holding of stock by the NAFED is supporting the prices at the spot markets.

The September contract at the NCDEX declined to close at Rs 357.00 per 20 kg.

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

The prices are expected to maintain the stable trend in the near future. However, once the NAFED starts releasing its stocks the prices may come under pressure.

Status of Price & Supply of the New Crop

Markets	Prices (Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1815	20000
Alwar(C)	1725-1730	1000
Delhi(C)	1825	1000
Agra(C)	1890	-
Sri Ganganagar (NC)	1580	700
Kota (NC)	1560-1590	1000

Vayda Quotes

Mustard futures as on 23 August 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	346.4	345.50	345.5	345.4	-1.3	345.1	346.4
Delhi	340.1	340.20	340.5	338.7	-1.3	338.8	340.1
Hapur	369.0	368.50	368.5	367.7	-1.5	367.5	369.0
Hapur	362.4	362.50	362.6	360.5	-1.8	360.6	362.4
Bikaner	348.1	348.30	348.3	348.3	0.2	348.3	348.1
Hisar	336.6	336.80	336.9	335.0	-1.6	335.0	336.6
Hisar	337.7	338.25	338.3	336.6	-1.2	336.5	337.7

Groundnut

Groundnut prices maintained the steady undertone today also. The firmness in the prices maintained in the major markets of Gujarat. The shortage of stock is supporting the prices. Coupled with this the improvement in the demand for the oil is helping the prices presently. The market is expecting more improvement in the prices in the next 15-20 days.

On the other hand the crop in the coming season is likely to come in a good size due to good rainfall in all the major producing states.

The old stock at Chitradurg mandi fetched around Rs 1850 per quintal whereas the new one fetched Rs1500 per quintal.

Thus, for the near and medium term the prices of groundnut are likely to improve further. The pace may remain slow.

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. 2870 and for 40-50 count the rate is Rs. 2430 in Mumbai market.

CBOT

CBOT Soy Futures Improved on Technical Support and Dry Weather Forecast

Soybean futures on the Chicago Board of Trade ended firm and at session highs on Monday, bolstered by technical buying and crop concerns amid only limited U.S. Midwest rain prospects during the next 10 days.

Short-covering and new buying supported the solid gains early this week as the market looks at dry weather this week for the Midwest and Delta growing areas as a potential positive force. In addition, there is talk in some areas that the rains of the past week may not have helped improve crop conditions in some areas of the Midwest where the crop was too far advanced. Traders look for a 1-3% improvement in crops rated good to excellent for this afternoons weekly crop update.

The oversold condition of the market basis traditional technical indicators and news from the weekly Commitment-of-Traders report with options that the speculative net long position of the market was cut in half to just 15,607 contracts for the week ending August 16th added to the positive tone.

The weekly export inspections report showed soybean exports at 5.52 million bushels, which was towards the low end of the range of trade expectations. Cumulative old crop shipments have reached 96.6% of the USDA forecast for the season (September 1st) as compared with 98.6% as the 5-year average for this time of the year.

In trades, ADM Investor Services, Cargill Investor Services, Citigroup, Prudential Financial and DT Trading each bought 200 November, Refco bought 500 November and Rand Financial bought 400 November. On the sell side, Cargill and UBS Securities each sold 500 November, Tenco and Refco each sold 300 November, and Man Financial sold 600 November.

The US soybean is expected to continue on the positive side on Tuesday evening amidst conflicting weather reports.

CBOT Soybean futures as 22 August 2005 (Cents/bushel)

Months	Previous Settle	Open	High	Low	Change	Close
Sep05	597.2	597.2	608.0	597.2	+10.0	607.2
Nov05	607.4	610.0	618.0	610.0	+9.8	617.2

CBOT remains closed on Saturday and Sunday.

South American Soybean Lowered Marginally Amidst Improving Crop Weather in US

November South American soybeans closed lower on the session. South American soybeans are weak but have

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gained on US soybeans on the recent rally, as the US market is under speculative long liquidation selling pressures.

South American soybeans have their own problems. While producer selling has slowed on the recent break, the accelerating tensions in Brazil with the possible implications that the Finance Minister could get pulled into the bribery scandal helped to spark ideas that major political changes are coming in the weeks ahead.

With the uncertainty, there is fear that producers or commercials may feel better selling inventory, which might begin to pressure cash markets. Recent lower prices into the planting season have left the production outlook for the coming season very uncertain. Crop guesses seem to range between 56 and 63 million tonnes as compared with the drought impacted crop of 2005 near 50 million tonnes.

The weather last week and again for this week looks decent enough to support improving crop conditions across the Midwest, but the 45 cent break off of the August 12 highs may have already priced in good weather. The focus of attention this week will center on the potential improvements in the crop outlook since August 1st.

A weaker tone for the cash meal market added to the negative tone, as crushers gear up after recent downtime and near term supply is on the rise. The political turmoil in Brazil could also begin to impact the market somewhat if producers or commercials choose to sell inventory instead of waiting out the uncertainty is seen as a potentially negative force.

The Commitment-of-Traders report with options showed the market with a positive structural set up, but the selling trend of the non-commercial (fund) trader is a short-term negative force for US soybeans. Funds shifted to a net short position in oil (which is negative). Speculators remain net long over 20,000 contracts of meal but have also remained in a long liquidation mode over the past week.

The Latin American soybean is expected to improve today evening amidst support from the global export demand.

Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.67
Malaysia	Ringgit	11.56
European Union	Euro	53.38
United Kingdom	GBP	78.59
Japan	100 Yen	39.72