

OILSEED

26th August 2005

- Rapeseed Markets Maintain Steady Undertone

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX September Contract

Rapeseed September Contract opened lower and after that went down making a separate line.

Stochastic Oscillators: The %K - line after cutting the %D-line from the above is going down.

The MACD remains above the signal line and the gap with the EMA is widening.

The 7-day MA has crossed the 14-day MA from below.

Market advice:

The downfall may continue tomorrow also. Check the support level.

Advisable trade limits:

Support at 354.40 and Resistance 356.40



COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX September Contract

Soybean seed September Contract opened lower and went down thereafter smoothly. The movement in the prices remained range-bound.

Stochastic Oscillators: The %K - line after cutting the %D-line from above is going down sharply towards the oversold region.

The MACD was about to make a bullish crossover with the EMA however, it is showing a deviation.

The 7-day MA is below the 14-day MA. The slower MA is showing further downfall. The RSI (27.06) is in the oversold region.

Market advice:

The prices are expected to remain range-bound with a slight weakness. Trade accordingly.

Advisable trade limits:

Support at 1256.00 and Resistance at 1271.00



DOMESTIC MARKET COMMENTARY

Soybean:

Prices of soybean today remained under marginal pressure due to weakness in the prices of DOC and oil.

According to the latest estimates Soybean acreage is lower on year. This is largely owing to lower acreage in Madhya Pradesh, as of today, because of delayed onset and advancement of monsoon. Sowing in other states such as Andhra Pradesh, Maharashtra and Rajasthan are higher on year. Acreage is down 3.2 per cent at 76.06 lakh hectare compared with 78.62 lakh hectare last year.

The soy oil prices at the NBOT declined today. The DOC prices today also declined at the major spot markets.

Soybean futures at the NCDEX today declined sharply after opening on the lower side. The NCDEX September contract today closed at Rs1259.95 (Down by Rs.6.80).

The price of soybean in Kota market was quoted at Rs. 1235 per quintal. In Madhya Pradesh it was Rs. 1255, in Karnataka it was Rs. 1190 and in Maharashtra it was Rs. 1240.

The soybean prices may remain weak for the near-term depending on the prices of oil and doc.

Rapeseed/Mustard:

Rapeseed markets witnessed little activities today also. There was market talk that lack of rain may put pressure on the sowing activities for the coming crop. The arrival is also on the lower side supporting the prices.

On the other hand the NAFED is not likely to sell its stocks below Rs 1700 per quintal. This is also pressurising the market activities. The rape oil is seeing stable demand.

The prices of rapeseed at the major vayda exchanges today declined overall.

The September contract at the NCDEX today after opening on the lower side declined. The movement remained range-bound. The September contract at the NCDEX closed near the day's low at Rs 355.40 per 20 kg.

The arrival of mustard in Rajasthan remained at around 0.15-0.20 lakh bags today.

The prices of rapeseed and mustard are likely to maintain stable trend ahead also. Lack of rains may also extend further support to the prices. The only factor that may put pressure on the prices is the selling by NAFED at a lower price.

Status of Price & Supply of the New Crop

Markets	Prices (Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1805-10	15000-20000
Alwar(C)	1710-15	700-800
Delhi(C)	1810	1000
Agra(C)	1870	-
Sri Ganganagar (NC)	1580-85	1000
Kota (NC)	1560-1580	2000

Vayda Quotes

Mustard futures as on 26 August 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	Aug	345.80	345.8	345.8	345.8	0.0	345.8
Delhi	Nov	338.80	338.7	338.7	338.2	-0.3	338.5
Hapur	Aug	368.60	367.5	368.8	367.5	0.0	368.6
Hapur	Nov	361.60	361.0	361.0	359.9	-0.7	360.9
Bikaner	Aug05	348.30	348.3	348.3	348.3	0.0	348.3
Hisar	Aug	334.80	333.5	333.7	333.0	-1.8	333.0
Hisar	Nov	336.70	336.3	336.5	335.6	-0.9	335.8

Groundnut

The mandi in Gujarat remained closed on the occasion of Janmastami. In Karnataka and Andhra Pradesh the prices remained stable. In Chitradurg Mandi new groundnut fetched Rs 1450-1500 per quintal whereas the old stock was traded at Rs 1850 per quintal. The arrival remains at 5000 bags per day on an average. After a couple of days the arrival is likely to improve.

The demand for groundnut oil remained good today also.

The prices of groundnut are likely to remain stable in the coming days. The higher arrival in Karnataka may try to pressurise the prices there. However, in Gujarat the situation is likely to improve further.

The rate of the Export Quality (80-90 Count) groundnut was Rs. 2840 per quintal, the bold (60-70 Count) is Rs. 2970 per quintal, the 50-60 count seed is Rs. 2850 and for 40-50 count the rate is Rs. 2430 in Mumbai market.

CBOT

CBOT Soy Futures Continued Lower On Less Than Expected Domestic Demand

In a continuation of Wednesday's late stumble, soybean futures on the Chicago Board of Trade fell to nearly five-month lows on Thursday, with the most-active November futures plowing below the psychological \$6.00-per-bushel level.

While export news was supportive, the crush report showed less than expected domestic demand for soybean oil and lower soybean crush demand.

The Census Crush report for July showed July crush at 140.155 million bushels, slightly below trade expectations. Oil stocks were pegged at 1.961 billion pounds from trade expectations around 1.867 billion pounds. Meal stocks were 382,145 tonnes with expectations near 315,000 tonnes.

Weekly export sales for soybeans came in at 621,000 metric tonnes, which was above the upper end of trade expectations. Meal sales came in at 116,000 metric tonnes, also better than expected. Cumulative old crop sales have reached 89.6% of the USDA forecast as compared to 95.9% on average over the last five years. Weekly US export sales for bean oil came in at 4,000 metric tonnes, which was towards the upper end of trade expectations.

In trades, ADM Investor Services bought 1,000 November and Cargill bought 500 November. On the sell side, ADM Investor Services, Calyon Financial and Rand Financial each sold 500 November, ABN Amro sold 600 November, Cargill Investor Services sold 3,000 November, Refco sold 2,000 November and Iowa Grain sold 400 November.

The US soybean is expected to continue range bound on the lower side on Friday evening amidst expectation of increased production of soybean.

CBOT Soybean futures as 25 August 2005 (Cents/bushel)

Months	Previous Settle	Open	High	Low	Change	Close
Sep05	602.4	600.0	600.0	586.4	-15.4	587.0
Nov05	612.6	608.0	609.4	597.0	-15.0	597.6

CBOT remains closed on Saturday and Sunday.

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South American Soybean Lowered Marginally on Concerns of Deepening Debt Problems in Brazil

November South American soybeans closed lower on the session yesterday. The Brazil Ag Minister voiced concerns for the deepening debt problems of the Brazil producers, with indications that many of them are on the brink of bankruptcy.

Drought combined with the strong local currency has eaten away at profit margins, and there is concern that the government will not respond quickly enough to provide some relief into the planting season. Government officials have so many other problems to deal with due to scandals and political upheaval, that the minister is voicing concern for the financial situation of the producer for the planting season ahead.

Lower international prices just add to the concerns. The market seems to lack the demand news to see much upside follow through this week, and with crop tour results showing a lack of surprises in the areas where crops were thought to be poor and better than expected yield potential in good areas, speculative selling increased yesterday to turn the minor trend back down.

In the last USDA Supply/Demand report, the outlook for a solid Brazil crop for the coming season allowed the USDA to lower the anticipated export and crush demand for the US.

China imported 2.859 million tonnes in July to bring the January to July total to 14.99 million tonnes, up 38.4% from last year's pace. For soybean oil, China imported 140,426 tonnes in July to bring the January to July total to 941,507 tonnes, down 41.4% from last year's pace. China imported 1.585 million tonnes of palm oil over the same time frame, up 30% from last year.

Brazil domestic consumption remains in a solid growth track, as the USDA attache in Brazil indicates that poultry production is expected to jump another 5% in 2006 to a new record high.

Amidst mixed sentiments prevailing in the market the South American Soybean market is expected to continue range bound on the lower side.

Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.73
Malaysia	Ringgit	11.61
European Union	Euro	53.82
United Kingdom	GBP	78.86
Japan	100 Yen	39.72