

OILSEED

24th August 2005

- Rapeseed Prices Maintained the Steady Undertone

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX September Contract

Rapeseed September Contract opened lower today. The prices fell thereafter.

Stochastic Oscillators: The %K - line rebounded from the overbought region. But it did not cut the %D-line from above.

The MACD remains above than the signal line, a bullish sign.

Both the 7-day MA bent upwards significantly.

Market advice:

There may be a recovery tomorrow. Buy below 354 and sell above 357.7

Advisable trade limits:

Support at 355.00 and Resistance 358.50



COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX September Contract

Soybean seed September Contract opened lower today and fell further after that throughout the day.

Stochastic Oscillators: The %K - line has bent downwards near the overbought region.

The MACD is in the bearish territory however, it is about to make a bullish crossover with the EMA.

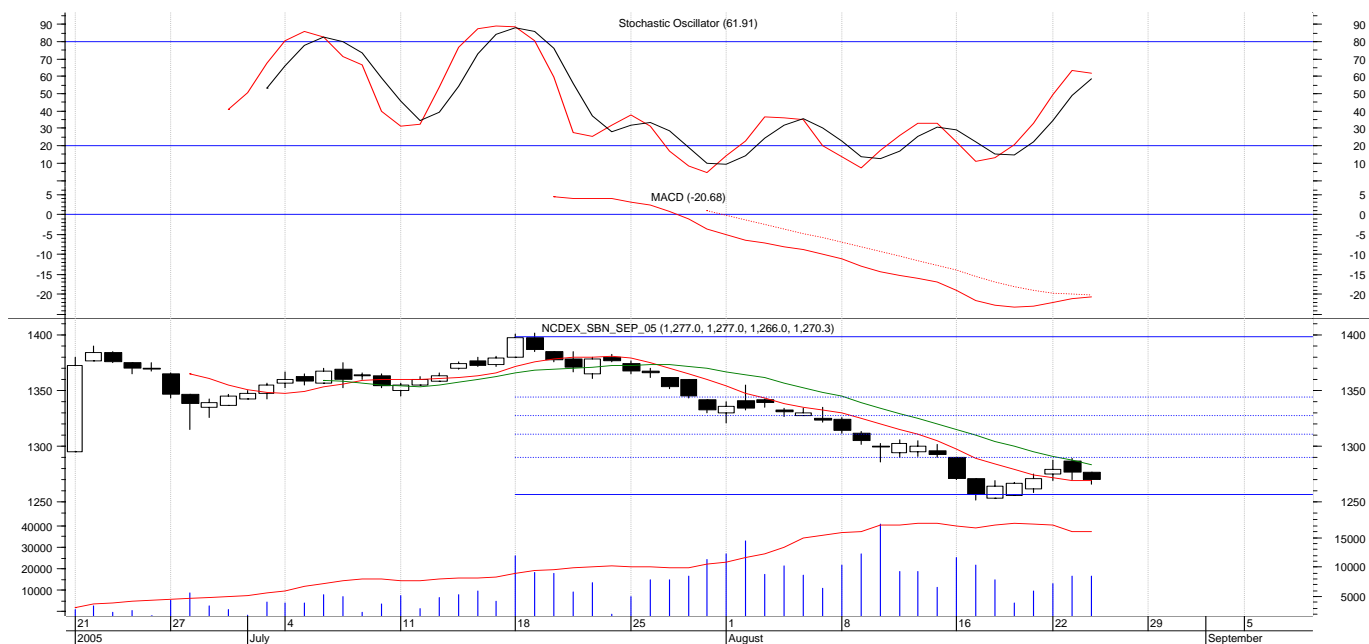
The 7-day MA is below the 14-day MA. The slower MA has bent slightly. The RSI (30) is just above the oversold region.

Market advice:

The open is likely to be in the lower side however, there may be slight recovery.

Advisable trade limits:

Support at 1265.00 and Resistance at 1287.00



DOMESTIC MARKET COMMENTARY

Soybean:

Prices of soybean at the major markets today remained steady to stable. The demand is also steady. The coming crop in Maharashtra line is expected to hit the markets around 15th September.

The soy oil prices at the NBOT, Indore declined. The DOC prices maintained the steadiness today.

Soybean futures at the NCDEX today continued to go down amid weak market sentiments. The NCDEX September contract today closed at Rs1270.25 (Down by Rs.7.80).

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.

For the very short-term the prices are expected to remain steady at the major markets.

Rapeseed/Mustard:

Rapeseed prices today did not see any movement. The market tone remained weak today. However, presently the range of the prices is good due to shortage of crop.

Today the rapeseed prices in the major vayda exchange improved.

The vayda at the NCDEX however, today declined after opening on a lower side. The market is cautious a little bit. The market is worried about the stocks with the NAFED. The government organisation is yet to get bid at its offer prices.

The September contract at the NCDEX declined to close at Rs 356.65 per 20 kg.

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

For the short-term the prices are likely to remain steady to stable however, after that there may be pressure if the NAFED starts selling its stocks.

Status of Price & Supply of the New Crop

Markets	Prices (Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1810-15	15000
Alwar(C)	1720-25	700-800
Delhi(C)	1825	1000-1200
Agra(C)	1875	-
Sri Ganganagar (NC)	1575-80	700
Kota (NC)	1560-80	1000-1200

Vayda Quotes

Mustard futures as on 24 August 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	Aug	345.10	344.5	346.0	344.5	+0.65	345.7
Delhi	Nov	338.80	338.4	340.0	338.1	+0.7	339.5
Hapur	Aug	367.50	367.5	368.8	367.5	+1.1	368.6
Hapur	Nov	360.60	360.5	362.0	359.6	+0.9	361.5
Bikaner	Aug05	348.30	348.3	348.3	348.3	0.0	348.3
Hisar	Aug	335.00	334.5	335.5	334.0	+0.2	335.2
Hisar	Nov	336.50	336.1	337.2	335.6	+0.2	336.7

Groundnut

The market activities remained on the lower side today due to holiday mood ahead of Janmasthami in the Rajkot mandi today. The undertone of the market however, remained on the upper side. The market activities in other states also remained slow on shortage of crop. Today in Rajkot the total arrival remained around 700 bags.

The demand for groundnut oil also has been improving. It is expected that the demand would remain tight in the coming days also.

For the near term the prices of groundnut are likely to remain strong along with the oil prices. The Rajkot mandi

will remain closed from tomorrow upto Monday on the occasion of Janmastami. The market will reopen on Tuesday.

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 Marginally Amidst Reports of Uncertain Crop Progress

Soybean futures on the Chicago Board of Trade ended a two-sided session moderately higher Tuesday, extending their price recovery in quiet trade, with talk of Chinese buying interest and crop uncertainties underpinning prices.

The weekly crop progress report did not show the improvements in crops which traders had anticipated which helped provide the initial support for the market early in the session.

While talk of China buying a few cargoes of US soybeans has helped support the gulf basis the past few days, the trade is not impressed with the purchase of just a few cargoes which may be for December delivery as Asia cash dealers indicate that China demand for soybeans for the September to October time frame may already be booked with South America soybeans.

Smaller-than-expected improvements in crop ratings from U.S. Department of Agriculture provide underlying support to prices, as did talk of Chinese buying. However, the China buying should be taken with a grain of salt, amid reports of China being fully stocked with supplies.

In addition, crop scouts indicated that Ohio pod counts were higher than expectations. Crops rated in good to excellent condition came in at 52% which was up from 51% last week but down from 57% as the 15-year average for this time of the year.

In trades, ABN Amro bought 400 September and 200 November, Cargill Investor Services and UBS Securities each bought 200 November, and Fimat and Refco each bought 500 November. On the sell side, Bunge Chicago sold 400 November, Man Financial sold 500 November, Cargill Investor Services and Citigroup each sold 300 November, and ABN Amro sold 200 January.

The US soybean is expected to continue on the positive side on Wednesday evening amidst conflicting weather reports and support from the Chinese traders.

CBOT Soybean futures as 23 August 2005 (Cents/bushel)

Months	Previous Settle	Open	High	Low	Change	Close
Sep05	607.2	614.0	615.4	606.0	+3.4	610.6
Nov05	617.2	624.6	625.4	616.0	+3.2	620.4

CBOT remains closed on Saturday and Sunday.

South American Soybean declined marginally on projected decline in Brazil's Soybean Production

November South American soybeans closed marginally higher. While there are more and more private forecasts for a 4-10% drop in planted area in Brazil for the coming season, the Brazil Vegetable Oils Industry Association yesterday pegged the new Brazil crop at 58.2 million metric tonnes, which would be up from 50.8 million tonnes last year.

The current USDA forecast is at 62 million tonnes. While there has been some fear of a jump in producer selling due to political anxiety, the cash market has remained mostly quiet. The market saw bullish supply news overnight and pushed moderately higher, as US crop conditions did not improve as much as the trade had anticipated and India oilseed areas were reported to be still coming up short on moisture needed to assure good production this year.

Monsoon rains have lagged in India, and the Indian Farm Ministry indicated yesterday that as of last week oilseed plantings had reached just 16.08 million hectares, which was down from 16.64 million last year at this time and compared with total oilseed plantings of 17.77 million hectares last year. India prices for soybeans and oil were up overnight, and soyoil futures had bounced 2.1% since last Wednesday.

With all of the rain that occurred in the US Midwest after August 10th, traders were looking for a significant improvement in crop conditions, but apparently some fields did not respond well to the rain. In some areas, the heat and dryness of July must have pulled the maturity level far enough ahead that the plant was already beginning to shut down when the rains finally hit. In addition, 32% of the Arkansas crop has been rated in poor to very poor condition, and 35% of the Illinois crop still in poor to very poor condition.

The jump in freight rates has pushed up the cost of imports to China to a point where many buyers are facing cash flow problems, and the trade is nervous that Chinese buying might slow. There was talk yesterday that China may have purchased 1 cargo of US soybeans, but that was for December delivery.

Traders are nervous that China may have already booked enough soybeans for September and October delivery from South America. South Korea is tendering for 25,000 tonnes of US soybeans. From the crop tour, scouts have indicated that Ohio soybean pod counts are favourable.

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

Forex Rates

Country/Continent	Currency	Value in Rupees
USA	Dollar	43.72
Malaysia	Ringgit	11.59
European Union	Euro	53.23
United Kingdom	GBP	78.40
Japan	100 Yen	39.54

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