

OILSEED

03rd September 2005

- Rapeseed Prices Weak on NAFED Selling

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX September Contract

Rapeseed September Contract opened slightly higher and after that the contract declined smoothly.

The indicators are indicating further weakness ahead. Only the MAs remain positive.

Market advice:

Prices are expected to open on the lower side. Remain short.

Advisable trade limits:

Support at 356.45 and Resistance 359.9

COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX September Contract

Soybean seed September Contract opened lower and then went down. The movement remained weak.

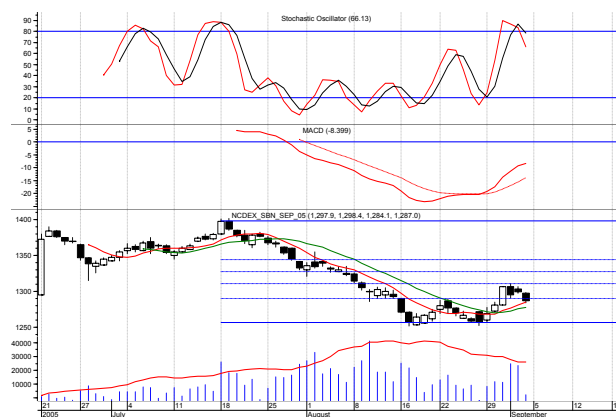
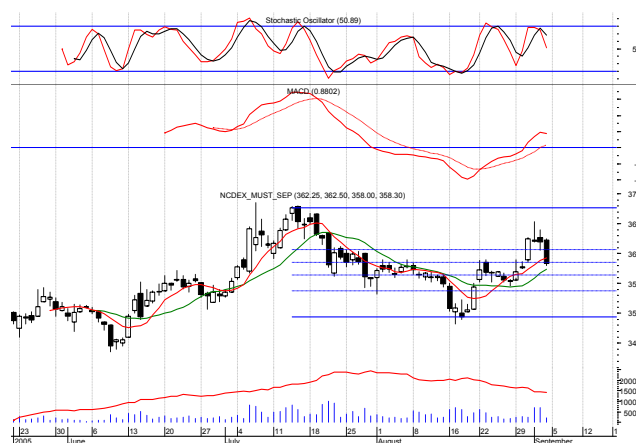
The indicators are not clearly indicating any direction. When the candlestick and stochastic are indicating weakness the MACD and the MAs are going up.

Market advice:

For the short-term the outlook is bearish. Remain short.

Advisable trade limits:

Support at 1281.0 and Resistance at 1293.00



DOMESTIC MARKET COMMENTARY

Soybean:

Soybean market today saw steady movement with the weak undertone. There was some rainfall in Bhopal, Sheopur districts. This pressurised the market sentiments. The market players are waiting for the clear indication of the rainfall.

In Indore, soybean was traded at around Rs 1270 per quintal in the morning session whereas in the evening the prices came down to Rs 1270 per quintal.

Soy oil prices today at the NBOT declined for the different contract months. The DOC prices however, maintained the improvement today recovery in the demand.

Soybean futures at the NCDEX today opened lower and maintained weakness throughout the session. The NCDEX September contract today closed at Rs1287.0 (Down by Rs. 2.95).

The price of soybean in Kota market was quoted at Rs. 1245 per quintal. In Madhya Pradesh it was Rs. 1265-70, in Karnataka it was Rs. 1195 and in Maharashtra it was Rs. 1250.

Soybean market is likely to see more selling pressure on Monday. The prices may go down further.

Rapeseed/Mustard:

Rapeseed prices remained weak today at the major markets. The prices came under pressure on the news of releasing stocks by the NAFED. According to the market

sources the NAFED has sold around 10000 tonnes of the total stock so far in the states of Rajasthan, UP, MP and Haryana.

The stock with the NAFED is around 21 lakh tonnes. Due to poor storage facility the government body is expected to release around 5-9 lakh tonnes of the stocks immediately.

The major vayda exchanges today showed weakness and the prices went down. Only the Bikaner mandi showed a marginal improvement.

The September contract at the NCDEX today after opening on the higher side declined smoothly. The September contract at the NCDEX closed at Rs 358.30 per 20 kg.

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

For the short and medium term the prices of rapeseed and mustard are likely to remain weak.

Status of Price & Supply of the New Crop

Markets	Prices (Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1825	15000
Alwar(C)	1725	1000
Delhi(C)	1800	1500
Agra(C)	1870	-
Sri Ganganagar (NC)	1560	500
Kota (NC)	1565-85	1500

Vayda Quotes

Mustard futures as on 03 September 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	Nov	344.80	344.3	344.3	342.6	-2.2	342.6
Delhi		00	00	00	00	0.0	00
Hapur	Nov	367.70	367.0	367.2	364.2	-3.2	364.5
Hapur		00	00	00	00	0.0	00
Bikaner	Oct	348.30	348.3	348.4	348.3	+0.1	348.4
Hisar	Nov	340.20	340.0	340.3	337.9	-2.3	337.9
Hisar		00	00	00	00	0.0	00

Groundnut

Groundnut prices maintained the steady trend today at the major markets. The South Indian markets remained with subdued sentiments. The market activities remained less on local holiday in the Rajkot mandi.

The arrival is still lower. In Chitradurg mandi the arrival is likely to go up on Monday. In Gujarat the prices of groundnut seed remained Rs 395 per 20 kg. The prices declined slightly today. The trend is steady.

Prices of groundnut maintained the stable trend today. The coming festival season may provide support.

Prices of groundnut are likely to remain strong in the major markets.

The rate of the Export Quality (80-90 Count) groundnut was Rs. 2850 per quintal, the bold (60-70 Count) is Rs. 2980 per quintal, the 50-60 count seed is Rs. 2850 and for 40-50 count the rate is Rs. 2450 in Mumbai market.

CBOT

CBOT Soy Futures Plummeted Sharply On Increased Delivery and Increased Production

Soybean futures on the Chicago Board of Trade ended lower Friday, pressured by speculative selling in thin trade amid export uncertainties and bearishly construed private crop estimates.

Informa Economics pegged soybean production at 77.29 billion tonnes with a yield of 1.06 tonnes per acre. Thursday afternoon, FC Stone pegged the crop at 77.15 million tonnes with a yield of 1.06 tonne an acre. This bearish crop estimate is likely to lower the market prices further.

The US soybean is expected to trade further lower on Monday evening amidst significant improvement in the current crop estimates.

CBOT Soybean futures as on September 02, 2005 (Cents/bushel)

Months	Previous Settle	Open	High	Low	Change	Close
Sep05	595.6	595.0	595.0	588.4	-7.2	588.4
Nov05	607.0	607.0	607.0	598.2	-8.0	599.0

CBOT remains closed on Saturday and Sunday.

South American Soybean Continued Improving On Increased Trading Prospects

The uncertain port situation in New Orleans increased the trading prospects of South American soybeans.

The USDA attache in Brazil pegged the 2005/2006 crop at 61 million tonnes, which was up about 2 million tonnes from their previous forecast, which has further enhanced the export demand of Brazilian soybean.

Rumours that China bought 2 cargoes of US soybeans for shipment from the Pacific Northwest supported the market.

A private firm pegged the US soybean crop at 77.15 million tonnes as compared with 75.95 million tonnes as the August USDA forecast. With continued export demand and increasing prospects of further Asian demand, the market is expected to improve further on Monday.

Forex Rates

Country/Continent	Currency	Value in Rupees
USA	Dollar	43.95
Malaysia	Ringgit	11.66
European Union	Euro	54.93
United Kingdom	GBP	80.61
Japan	100 Yen	40.01

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