

OILSEED

20th September 2005

- Domestic Market for Soybean Remained Weak

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX October Contract

Rapeseed October Contract remained weak today. The contract opened above the last day's closing prices but settled on lower side.

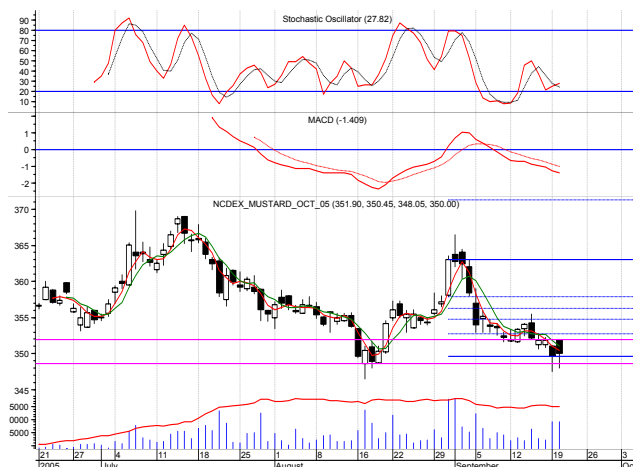
The pattern of the indicator is indicating to slight bearishness of the prices.

Market advice:

For the short term the outlook is range bound with slight bearish. Remain short.

Advisable trade limits:

Support at 348.61 and Resistance at 351.99.



COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX October Contract

Soybean seed October Contract witnessed slight strong today. It opened above the last day's closing price and closed on higher side.

The patterns of the indicators are indicating to remain range bound with slight strong of the prices in the coming days.

Market advice:

For the short-term the outlook is range bound with slight strong. Remain long.

Advisable trade limits:

Support at 1226.93 and Resistance at 1253.2.



DOMESTIC MARKET COMMENTARY

Soybean:

The market price for soybean continued its weak sentiment today also at most of the trading centre. At the Indore the soybean was traded at lower side at the range of 1215-1220 per quintal and in Kota it was also weak and traded on Rs.1265-1270 per quintal. The soybean was prevailed at the Nagpur market at the range of 1218-1220 per quintal on downside. In Maharashtra the soybean was quoted at the price of Rs.1200-1220 per quintal. According to the traders, the kharif soybean crop damaged due to the rains, but the rest of the crop are in good condition in Indore. Today was the last trading day of September contract at the NCDEX.

Soybean September futures at the NCDEX today opened above and settled at slight higher side. The NCDEX September contract today closed at the Rs1221.00 (Up by Rs. 1.00).

Soybean cultivators in India are waiting for some rains before the end of September so as to recover losses by way of delayed monsoon and pest attacks. Till now it is expected Soybean crop may be marginally lower this season. But rains in this month end may improve the crop condition. It is reported that about 10% to 15% crop is already damaged. Soybean crop in Madhya Pradesh has been affected however crops in Rajasthan and Maharashtra were better. The average yield per hectare for Soya is about one tonne and this year it is may be

marginally impacted. The oil market continued on the positive side amidst increased support from the international market and increased speculative buying.

In the month of September, India has imported about 1.42 lakh tonnes of soybean oil till 20.09.05. The Hazir markets traded marginally upward amidst falling prices in the futures market and declining retail demand.

The prices of soybean are likely to remain weak in the major markets in the short-term.

Rapeseed/Mustard:

The rapeseed/mustard market sentiment witnessed a mixed due to heavy stock belongs to the Government. The arrival has been also increased at the spot market. Therefore the prices got down at most of the trading point. Rajasthan did not receive rainfall today. The NAFED also continued its selling at the price of Rs.1600 per quintal, but traders was asking Rs.1575 per quintal, according to the trade sources. Therefore the prices showed downtrend sentiment.

The Vyada exchanges showed mostly downtrend sentiment today and closed on lower side except Bikaner.

The trading activity of the September contract at the NCDEX witnessed range bound with slight weak trend today.

Prices of rapeseed and mustard are likely to remain bearish as short term.

Status of Price & Supply of the New Crop

Markets	Prices (Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1785-90	15000
Alwar(C)	1685-90	700-800
Delhi(C)	1800	1500-1800
Agra(C)	1850	-
Sri Ganganagar (NC)	1525	250
Kota (NC)	-	-

Vayda Quotes

Mustard futures as on 20th September 2005

Cent re	Mo nth s	Prev. Settle	Open	High	Low	Cha nge	Close
Delhi	Nov	335.8	336.3	336.3	335.0	-0.3	335.5
Hapu r	Nov	357.8	358.5	358.5	356.7	- 0.25	357.5 5
Bika ner	Oct	347.1	347.1	347.2	347.1	0.1	347.2
Hisar	Nov	329.8	330.1	330.1	328.5	-0.8	329.0

Groundnut

Groundnut prices remained relatively range bound with stable undertone at most of the places today. The kharif groundnut crop production is expected to be increased due to good rainfall. Andhra Pradesh, Rajasthan and Maharashtra market also showed the stable tone today. The new kharif crop will hit the market within 15th October at full-fledged. Indian oilseed exports slipped from 385,256 MT in 2003-04 to 349,186 MT in 2004-05. Groundnut shipments totalled 167,500 MT; Groundnut oil exports fell from 102,706 to 48,000 MT. In Gujarat the prices of

groundnut seed continued the stable sentiment with less market activity and traded at the range of Rs 400-405 per 20 kg and Rs.520-522 per 10 kg.

Groundnut prices are likely to remain weak for the coming few days.

Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 kgs)
Gr Kernel	2385.00*
Bolds 60/70	2940.00*
Javas 60/70	2975.00*
Javas 70/80	2925.00*
Javas 80/90	2840.00*

***Plus Tax / Against Form, X CST Paid, @ VAT Exempted**

CBOT

CBOT Soy Futures Witnessed Marginal Technical Correction

Ideas that the market is technically oversold, a slowdown in harvest pressures due to some rain across the Midwest and inflationary concerns helped boost prices this morning.

In the weekend Commitment-of-Traders report with options, fund traders were holding a net short position of nearly 7400 contracts for oil and the surge higher in energy prices helped support a surge in short-covering and commercial buying in oil. Bio-diesel demand is on the rise. Weekly export inspections came in at 4.3 million bushels as compared with trade expectations for 3-7 million.

Shipments need to average 21.6 million bushels per week to reach the USDA projection. Basis levels were mixed with some improvements at the gulf but some weakness noted in the Midwest as the harvest progresses.

Continuous improvement in the crop weather and uncertain crop prospects has increased the prospects of US soybean crop.

South American Soybean Improved Amidst Expected Lower Crop Size in Brazil

While the current focus for US soybeans is on the harvest and the higher than expected informal yield results mentioned in the trade, Brazil new crop fundamentals will begin to take on more significant influence for the trade over the near term.

Brazil producers in some areas await rains to begin to plant the new crop, and a lack of available credit with low prices and reduced earnings last year has the trade uncertain on production with estimates ranging from 52-60 million tonnes as compared with the September USDA forecast of 60 million tonnes, which was down from 62 million in August. Some lingering bird flu concerns for demand and a continued hefty net long position by the speculator in meal in spite of the recent downtrend and lowest close since mid-February indicates that meal is still vulnerable to long liquidation selling.

The US is likely to use 912.5 million pounds of soybean oil in 2005 for bio-diesel production. Usage is expected to jump to near 1.97 billion pounds in 2006 and possibly 2.92 billion pounds in 2007.

The South American market is expected to open and trade range bound amidst increased uncertainty in the Brazilian soybean production.

**CBOT Soybean futures as on September 19, 2005
(Cents/bushel)**

Months	Previous Settle	Open	High	Low	Change	Close
Sep05	571.2	570.0	578.0	570.0	4.8	576.0
Nov05	580.0	579.6	587.0	579.6	5.2	585.2

CBOT remains closed on Saturday and Sunday.

Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.91
Malaysia	Ringgit	11.63
European Union	Euro	53.84
United Kingdom	GBP	79.28
Japan	100 Yen	39.48

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