

## OILSEED

21<sup>st</sup> 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 below the last day's closing prices and closed on lower side.

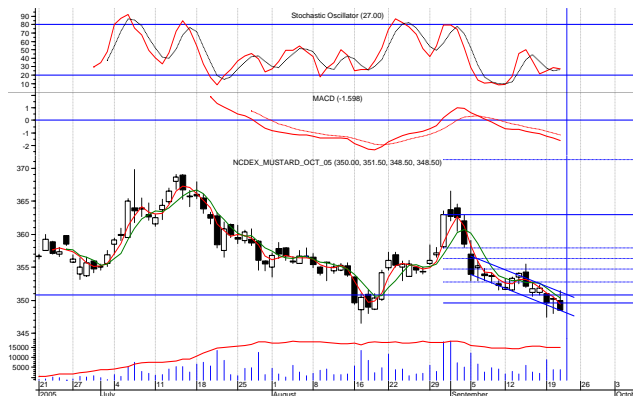
The pattern of the indicator is indicating to slight bearishness of the prices, but there is possibility to reverse the present trend.

##### Market advice:

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

##### Advisable trade limits:

Support at 348.1 and Resistance at 350.86.



#### COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

##### NCDEX October Contract

**Soybean seed October Contract** remained weak today. It opened below the last day's closing price and closed on lower side.

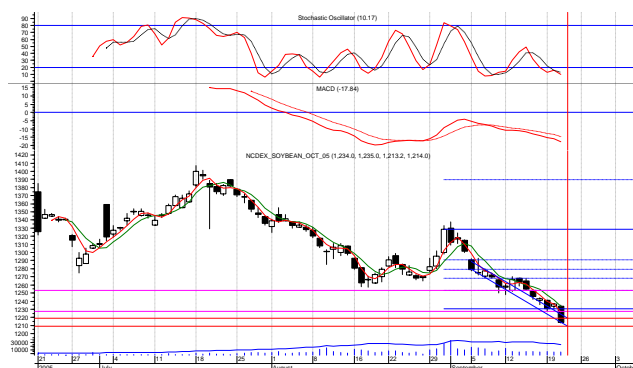
The patterns of the indicators are indicating to remain range bound with weakness of the prices in the coming days.

##### Market advice:

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

##### Advisable trade limits:

Support at 1210.0 and Resistance at 1219.0.



### 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 prices decreased to Rs.1190-1200 per quintal and in Kota it was remained same and traded on Rs.1265-1270 per quintal. The soybean was prevailed at the Nagpur market at the range of 1200-1205 per quintal on downside. In Maharashtra the soybean was quoted at the lower side and prevailed on Rs.1180-1200 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. The market demand remained quietly weak today.

Soybean October futures at the NCDEX today opened below and settled at lower side. The NCDEX October

contract today closed at the Rs1214.00 (Down by Rs. 22.15).

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 declined significantly on reduces retail demand and increased speculative selling.

In the month of September, India has imported about 1.52 lakh tonnes of soybean oil till 21.09.05. The Hazir markets traded lower 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 mixed market sentiment was observed on rapeseed/mustard market. The price was increased at Jaipur, Alwar and Sriganganagar market, however the downtrend sentiment witnessed at Agra mandis. The arrival remained relatively stable in most of the region. The strong demand and clear weather boost up the prices in most of the trading point. 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.

The Vyada exchanges witnessed weak today and closed on lower side.

The trading activity of the September contract at the NCDEX witnessed range bound with slight weak 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)	1790-1795	15000
Alwar(C)	1690-1700	700-800
Delhi(C)	1800	1500-1800
Agra(C)	1840	-
Sri Ganganagar (NC)	1540	500
Kota (NC)	-	-

#### Vayda Quotes

##### Mustard futures as on 20<sup>th</sup> September 2005

Cent re	Mo nth s	Prev. Settle	Open	High	Low	Cha nge	Close
Delhi	Nov	335.5	335.1	336.4	335.0	-0.5	335.0
Hapu r	Nov	357.55	357.4	358.9	356.5	-0.65	356.9
Bika ner	Oct	347.2	347.1	347.1	347.0	-0.2	347.0
Hisar	Nov	329.0	328.5	329.5	327.9	-1.0	328.0

#### Groundnut

Groundnut prices witnessed slight weak today as compared to last day at most of the places. The new crop has hit the market in Gujarat but very few and also the crop was damaged due to rain, therefore the sentiment remained poor although there was relatively strong demand. But 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 15<sup>th</sup> 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 (Rajkot) the prices of groundnut seed witnessed slight weak today and traded at the price of Rs.400 per 20 kg and Rs.525-530 per 10 kg for shrink quality.

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)	
	20.09.05	21.09.05
Gr Kernel	2385.00*	2390.00*
Bolds 60/70	2940.00*	2875.00*
Javas 60/70	2975.00*	2990.00*
Javas 70/80	2925.00*	2875.00*
Javas 80/90	2840.00*	2815.00*

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

#### CBOT

##### CBOT Soy Futures Declined Further Amidst Increased Uncertainty US Soybean Output

Talk of the oversold technical condition of the market and hopes that the recent price collapse will trigger increased export news helped support the early bounce.

In addition, there was talk that the hurricane might bring more moisture to the southern Midwest late in the weekend and slow harvest. There was a lack of follow-through buying on the early bounce and the focus of attention shifted back to the ongoing harvest and talk of good yields.

The crop was 8% harvested by Sunday as compared with trade expectations for 3-5% harvested by this date. Basis news was mixed with lower bids at some Midwest locations due to increased harvest activity. Soybean oil lost ground along with a pullback in crude oil prices.

Traders expect increased usage for bio-diesel production in the months ahead due to high diesel prices. Palm oil futures were higher overnight but the sharp correction in soyoil today trigger a weak soybean close.

Fear of losses in the soybean crop is expected to induce partial bullishness in the soybean market today evening.

##### South American Soybean Continued to Surge on Expectation of Increased Chinese Imports

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.

The weekly crop conditions report as of Sep 18th showed the soybean crop rated good to excellent stood at 53% compared to 54% last week, 64% last year at this time and compared to 54% as the 15 year average. Traders were looking for steady to 1% point improvement in conditions. Soybean crops rated poor to very poor measured 17% compared to 17% last week and 11% last year and compared to 15% as the 15 year average.

Industry officials in China have noted a trend toward less rapeseed oil consumption in China and more consumption of refined vegetable oils such as soybean oil. Rapeseed prices are no longer at a stiff premium to soyoil.

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

**CBOT Soybean futures as on September 20, 2005  
(Cents/bushel)**

Months	Previous Settle	Open	High	Low	Change	Close
Sep05	576.0	577.2	577.2	569.4	-4.0	572.0
Nov05	585.2	585.0	585.4	579.0	-4.2	581.0

CBOT remains closed on Saturday and Sunday.

**Forex Rates**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.92
Malaysia	Ringgit	11.63
European Union	Euro	53.57
United Kingdom	GBP	79.34
Japan	100 Yen	39.36

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