

OILSEED

10th September 2005

- Rapeseed Prices Maintain the Weakness

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX September Contract

Rapeseed September Contract opened slightly lower and moved slowly downwards.

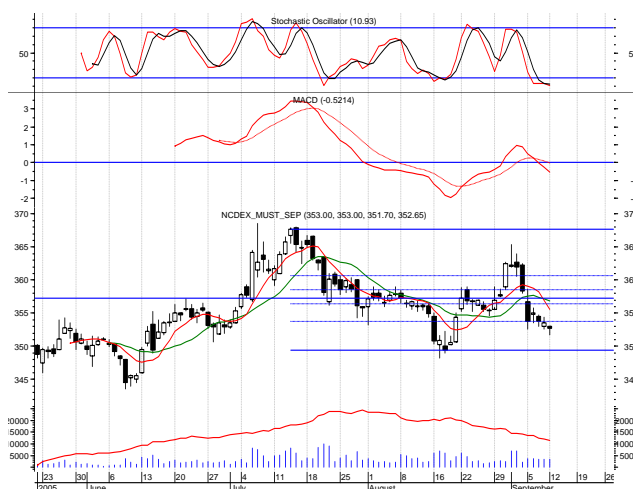
Almost all the indicators are showing weakness except the stochastic that is in the oversold region.

Market advice:

Remain short. However, the prices may open on the upper side.

Advisable trade limits:

Support at 351.0 and Resistance 353.6



COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX September Contract

Soybean seed September Contract opened lower and then went down further.

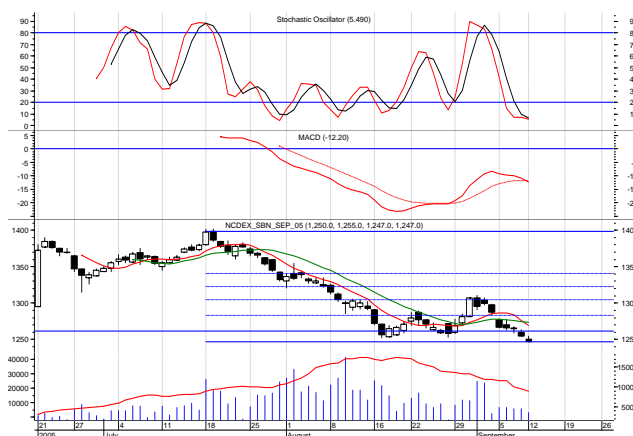
The pattern of the indicators is showing that the bearishness would continue.

Market advice:

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

Advisable trade limits:

Support at 1240.0 and Resistance at 1255.0



DOMESTIC MARKET COMMENTARY

Soybean:

Soybean prices maintained the range-bound movement today at the major spot markets. The prices maintained the weak undertone however, due to rainfall that is expected to support the crop growth.

The prices of soy oil today also fell at the spot as well as futures markets. The prices of soymeal maintained the steadiness.

Soybean futures at the NCDEX today opened lower and maintained weakness throughout the session. The NCDEX September contract today closed at the day's low at Rs1247.00 (Down by Rs. 8.05).

The price of soybean in Kota market was quoted at Rs. 1220per quintal. In Madhya Pradesh it was Rs. 1240, in Karnataka it was Rs. 1190 and in Maharashtra it was Rs. 1225.

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

Rapeseed/Mustard:

Rainfall in Rajasthan keeps pressurising the prices of rapeseed and mustard. Though the supply remained weak. The NAFED is also waiting for the good prices for its good quality stocks.

The vayda exchanges showed some mixed trend today also however, most of the exchanges closed on the downside.

The September contract at the NCDEX today after opening lower declined. The contract closed on the lower side. The September contract at the NCDEX closed at Rs 352.65 per 20 kg.

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

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)	1790-95	15000
Alwar(C)	1690	500-600
Delhi(C)	1800	800-900
Agra(C)	1830	-
Sri Ganganagar (NC)	1540	300
Kota (NC)	1530-50	800

Vayda Quotes

Mustard futures as on 10 September 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	Nov	339.40	338.8	338.8	338.0	-1.0	338.4
Hapur	Nov	360.90	360.0	360.1	358.7	-0.7	360.2
Bikaner	Oct	348.00	348.0	348.0	348.0	0.0	348.0
Hisar	Nov	335.00	334.0	334.5	333.9	+0.3	335.3

Groundnut

Prices of groundnut in the major markets remained strong today amid lower arrival. The arrival remained under pressure due to rainfall in the major areas. The mixing in groundnut oil remains as the negative factor for the crop. However, good demand offsets that.

In Gujarat the prices of groundnut seed remained around Rs 400 per 20 kg.

Groundnut prices are likely to remain stable with a slow improvement for the coming few days.

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 Dipped Significantly on Increased Production

Short covering ahead of the key USDA reports for Monday morning and much better than expected export news this morning helped support higher trade into the mid-session.

Weekly US export sales for beans came in at 423,600 metric tonnes as compared to trade expectations between 200,000-400,000. Cumulative sales, however, have reached just 13.4% of the USDA forecast for the entire season as compared to 22.7% on average over the last five years. Sales of 495,200 metric tonnes per week are needed to reach the USDA estimate.

For Monday morning's reports, the average trade estimate for 2005/2006 ending stocks is at 185 million bushels (range 163-220) as compared with 180 million bushels in the August 12th report. The average trade estimate for production is at 2.814 billion bushels (range 2.768-2.895) as compared with 2.791 billion bushels reported on August 12th.

Consistent domination of the bears in the market is expected to restrict bulls in the coming days.

CBOT Soybean futures as on September 09, 2005 (Cents/bushel)

Months	Previous Settle	Open	High	Low	Change	Close
Sep05	590.4	593.0	596.4	580.0	-10.0	580.4
Nov05	600.4	600.4	606.4	590.0	-10.4	590.0

CBOT remains closed on Saturday and Sunday.

South American Soybean Fell on Increased Planting Cost in Brazil

The export news seems to be more favourable to US exporters as compared with Brazilian exporters, which is somewhat surprising given the recent shutdown of the New Orleans port.

Traders are expecting an increase in production of about 25 million bushels for the USDA Crop Production Report for Monday morning. As of Sunday 12% of Iowa fields were dropping leaves as compared with 2% last year and 8% as the 5-year average, and informal reports early this week had many reports of fields turning brown quickly.

In last month's Supply/Demand report, the USDA lowered usage (exports and crush) by 59 million bushels due to hefty production estimates for South America.

Expected decline in the trade prospects and increased planting cost is expected to help the bears in the South American Soybean market.

Forex Rates

Country/Continent	Currency	Value in Rupees
USA	Dollar	43.81
Malaysia	Ringgit	11.61
European Union	Euro	54.48
United Kingdom	GBP	80.57
Japan	100 Yen	39.74

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