

OILSEED

16th September 2005

- Domestic Market Remained Slight Stable

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX September Contract

Rapeseed September Contract remained range-bound with slight weak undertone today. The contract opened above the last day's closing prices and settled on lower side.

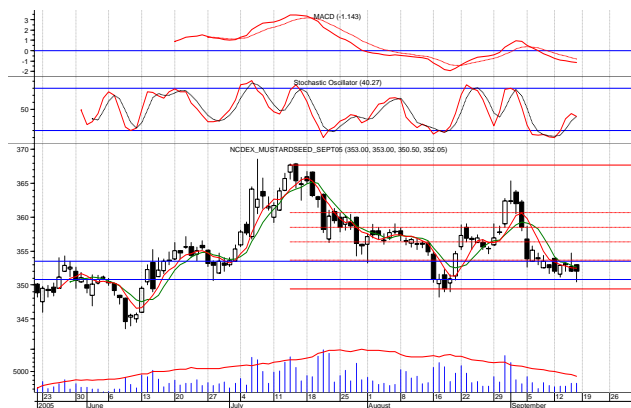
The pattern of the indicator is indicating to bearishness of the prices.

Market advice:

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

Advisable trade limits:

Support at 350.86 and Resistance at 353.41.



COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX September Contract

Soybean seed September Contract witnessed downtrend sentiment. It opened below the last day's closing price and remained on lower side after that.

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

Market advice:

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

Advisable trade limits:

Support at 1229.5 and Resistance at 1248.09



DOMESTIC MARKET COMMENTARY

Soybean:

Soybean was traded range bound with slight strong at the domestic spot market but downward trend was noticed at the futures market today. The market demand remained almost stable but speculative selling witnessed at the NCDEX. This is due to rainfall that is expected to support the crop growth.

Soybean futures at the NCDEX today opened lower and closed at lower side as against of previous day. The NCDEX September contract today closed at the Rs1234.00 (Down by Rs. 8.60).

The price of soybean in Kota market was quoted at Rs. 1279-1281 per quintal. In Indore it was Rs. 1230-1235, in Karnataka it was Rs. 1185-1195 and in Maharashtra it was Rs. 1225-1230.

Bears are clearly having a firm grip on the soybean oil trade, as the overall situation in the market is very indecisive amidst lack of retail demand support and increased supply from imports. The reduction in the Import tariff is also one of the causes resulting in the downward trend in the prices.

In the month of September, India has imported about 1.42 lakh tonnes of soybean oil till 16.09.05. The Hazir markets improved marginally amidst increased uncertainty 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 prices remained mostly range bound with slight downtrend sentiment at most of the trading point. Rajasthan received moderate rainfall today;

therefore the prices of rapeseed and mustard were under pressure. The NAFED has now started its selling around Rs.1640 per quintal.

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

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)	1800-1805	12000-13000
Alwar(C)	1690-1700	600-700
Delhi(C)	1800	500
Agra(C)	1860	-
Sri Ganganagar (NC)	1540	200
Kota (NC)	1530-60	500

Vayda Quotes

Mustard futures as on 16 September 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	Nov	338.0	337.5	337.8	337.3	-0.5	337.5
Hapur	Nov	359.6	359.0	359.7	358.6	-0.5	359.1
Bikaner	Oct	347.2	347.2	347.2	347.2	+0.1	347.3
Hisar	Nov	333.6	332.5	333.1	332.2	-1.4	332.2

Groundnut

Today Groundnut prices observed mostly stable in most of the places amid stable demand and less arrival. Rainfall is still continuing at most of the places in India, therefore the arrival has been hampered. The mixing in groundnut oil remains as the negative factor for the crop. However, good demand offsets that. 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.

In Gujarat the prices of groundnut seed remained stable position as of previous day on an around Rs 400-405 per 20 kg.

Groundnut prices are likely to remain weak due to rainfall 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 Continued Lower on Improving Crop Weather

Talk of better than expected yields and slow export movement at the gulf helped pressure the market early in

the session. Fund selling was active which kept the tone bearish into late in the day.

Traders are nervous that the cash selling will increase with the harvest progressing and the slow movement to the gulf will clog up the export pipeline.

For the weekly export sales report, released before the opening, soybean exports came in at 595,300 tonnes from 450,000-650,000 tonnes expected. Of the total, 152,000 tonnes was to unknown destination. Meal sales were 72,400 tonnes from expectations of 75,000-150,000 tonnes. Oil sales were 9100 tonnes from expectations at 2,000-8,000 tonnes.

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

South American Soybean Declined Marginally on Uncertain Production Prospects in Brazil

The Brazil market should be able to benefit from crossover business to importers who are frustrated with the slow movement from New Orleans, however, there is still very slow producer selling from Brazil and no evidence that buyers have switched origin.

The export pipeline is clogged enough to keep demand slow and while there is progress at the gulf in restoring grain flow, the progress may not be fast enough to offset the increased flow of grain from harvest. South Korea bought 46,000 tonnes of meal from South America overnight. While the port of New Orleans opened for business yesterday, operations this week are at 10-20% of a normal pace.

China imported 2.78 million tonnes of soybeans in August with brought cumulative imports for the January to August period to 17.65 million tonnes, up 41.2% from last year. Cumulative soyoil imports are down 36.8% from last year but palm oil imports are running 20% over last year as the price discount to soyoil has helped entice better demand.

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

CBOT Soybean futures as on September 14, 2005 (Cents/bushel)

Months	Previous Settle	Open	High	Low	Change	Close
Sep 05	580.2	579.2	577.4	568.0	-11.6	568.6
Nov 05	588.6	588.0	586.4	577.0	-11.0	577.6

CBOT remains closed on Saturday and Sunday.

Forex Rates

Country/Continent	Currency	Value in Rupees
USA	Dollar	43.84
Malaysia	Ringgit	11.63
European Union	Euro	53.61
United Kingdom	GBP	79.18
Japan	100 Yen	39.55

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.