

OILSEED

9th September 2005

- Groundnut Prices Remain Stable Today

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX September Contract

Rapeseed September Contract opened slightly lower and after that the contract tried to improve slightly.

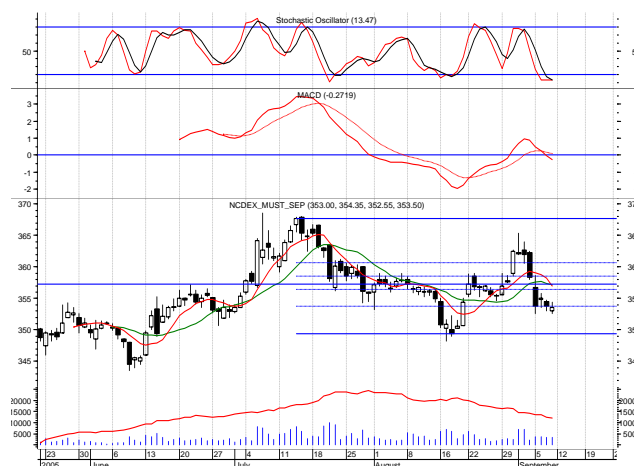
Almost all the indicators are showing weakness except the stochastic that is in the oversold region.

Market advice:

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

Advisable trade limits:

Support at 351.0 and Resistance 355.0



COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX September Contract

Soybean seed September Contract opened lower and then went down.

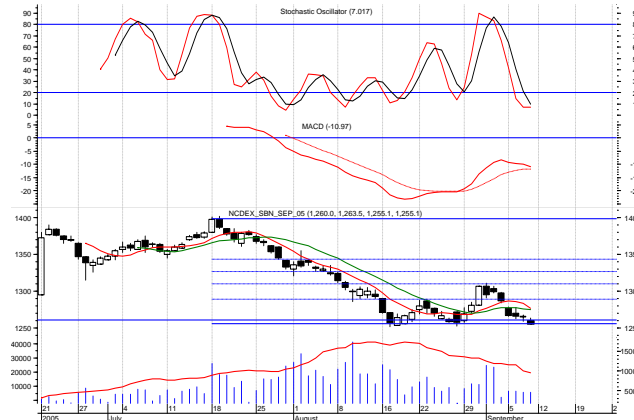
The weakness is likely to continue in the coming days as the indicators are showing.

Market advice:

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

Advisable trade limits:

Support at 1250.0 and Resistance at 1261.0



DOMESTIC MARKET COMMENTARY

Soybean:

The rainfall at the yesterday night put further pressure on the prices of soybean. The prices declined by Rs 5-10 per quintal in the major spot markets today. Scattered rainfall still continues in some parts of MP.

The prices of the soy meal tried to improve however, soy oil prices declined today at the major markets.

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 Rs1255.05 (Down by Rs. 5.90).

The price of soybean in Kota market was quoted at Rs. 1220-25 per quintal. In Madhya Pradesh it was Rs. 1240, in Karnataka it was Rs. 1195 and in Maharashtra it was Rs. 1230.

The weakness is likely to continue in the short-term as the rainfall remains beneficial for the crop.

Rapeseed/Mustard:

Prices of the rapeseed in the major markets remained almost at the same level with the weak undertone. The rainfall in some areas of Rajasthan restricted the smooth functioning of the market activities. The arrival remained very less. According to the markets sources the NAFED is also likely to stop selling its stocks due to rain.

The vayda exchanges showed some mixed trend today. The Hapur vayda closed unchanged.

The September contract at the NCDEX today after opening moved in the both sides. The contract closed on the lower side. The September contract at the NCDEX closed at Rs 353.50 per 20 kg.

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

The weakness in the prices of rapeseed and mustard is likely to continue in the coming days also.

Status of Price & Supply of the New Crop

Markets	Prices (Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1805-10	10000
Alwar(C)	1700	1000
Delhi(C)	1800-05	900
Agra(C)	1840	-
Sri Ganganagar (NC)	1545	-
Kota (NC)	1540-60	1000-1200

Vayda Quotes

Mustard futures as on 09 September 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	Nov	339.30	338.2	339.9	338.7	+0.1	339.4
Hapur	Nov	360.90	360.1	361.3	360.1	0.0	360.9
Bikaner	Oct	348.20	348.0	348.0	348.0	-0.2	348.0
Hisar	Nov	334.80	334.3	335.2	334.2	+0.2	335.0

Groundnut

Groundnut prices remained stable today also at the major markets. The rainfall is seen as beneficial for the crop in Rajasthan. The arrival is likely to delay by 10-15 days due to rain in Gujarat. There was improvement in the prices of groundnut seed and groundnut oil in Rajkot mandi for desi grade.

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

The prices of desi grade are likely to remain strong for the coming few days. The coming festivals are also expected to provide support to the prices.

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 Further on Improving Crop Weather

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The US traders remained fearful of the coming USDA monthly crop progress report, which is expected to indicate good harvest of soybean in the coming season.

Ultra high freight costs, the additional element of uncertainty of obtaining US supplies from the US Gulf certainly prompts buyers to look to other sources.

Increased Brazilian crop also added bearish tilt to the trading prospects in US. Brazilian forecast was raised to 51.1 million tons from the prior forecast of 50.2 million tons.

Consistent domination of the bears in the market is expected to halt the bulls in the coming days from taking major trade initiatives.

CBOT Soybean futures as on September 08, 2005 (Cents/bushel)

Months	Previous Settle	Open	High	Low	Change	Close
Sep05	595.0	593.0	595.0	590.0	-4.6	590.4
Nov05	606.2	602.0	604.0	599.4	-5.8	600.4

CBOT remains closed on Saturday and Sunday.

South American Soybean Lowered Marginally on Declining Trade Prospects

The export news seems to be more favourable to US exporters as compared with Brazilian exporters, in spite of the recent shutdown of the New Orleans port.

Traders are expecting for 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.

Barge freight rates have hit a record high along the Illinois, Ohio and Mississippi rivers as export conditions improve and the market sorts out the location of over 100 barges that were missing from the hurricane.

Expected decline in the trade prospects and lowering crop in Brazil, is expected to impart increased uncertainty 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