

## OILSEED

02<sup>nd</sup> September 2005

- Rapeseed Prices Showing Strength on Lack of Supply

### TECHNICAL ANALYSIS

#### COMMODITY: MUSTARD SEED

Perspective: Very Short Term

##### NCDEX September Contract

Rapeseed September Contract opened slightly higher and maintained a very range-bound movement throughout the day.

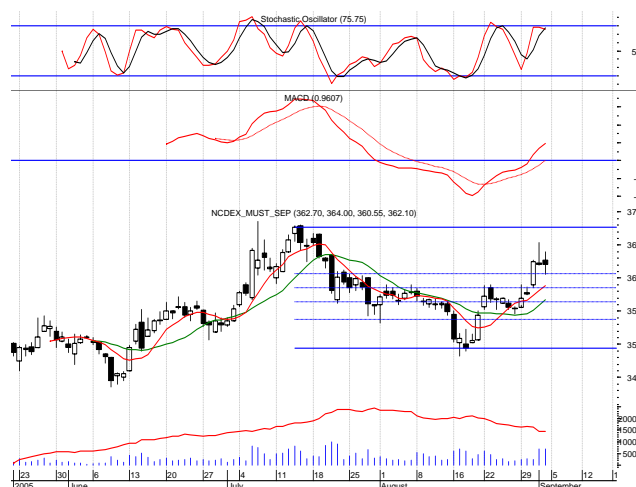
Toady also the indicators are not clearly indicating any direction.

##### Market advice:

Prices are likely to open higher but then may remain weak.

##### Advisable trade limits:

Support at 359.5 and Resistance 364.0



#### COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

##### NCDEX September Contract

Soybean seed September Contract opened lower and then went down. The movement remained range-bound.

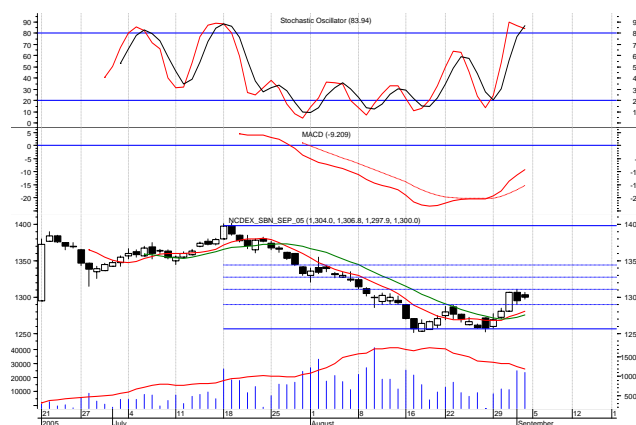
All the indicators are not indicating towards the same direction.

##### Market advice:

Long-term investors maintain long position. For intra-day movement also go long.

##### Advisable trade limits:

Support at 1292.0 and Resistance at 1310.00



### DOMESTIC MARKET COMMENTARY

#### Soybean:

Soybean prices maintained the range-bound movement today at the major spot markets. The prices tried to improve today amid improved demand.

Lower crop estimates along with the lack of rainfall in the major producing areas helped the prices to go up.

Soy oil prices today at the NBOT remained mixed for the different contract months. The DOC prices however, improved today amid buying supports in the domestic as well as from the export markets.

Soybean futures at the NCDEX today opened higher maintained a range-bound trading session. The NCDEX

September contract today closed at Rs1300.0 (Up by Rs. 3.75).

The price of soybean in Kota market was quoted at Rs. 1250 per quintal. In Madhya Pradesh it was Rs. 1270-75, in Karnataka it was Rs. 1200 and in Maharashtra it was Rs. 1255.

Soybean prices are likely to maintain the improvement in the domestic markets.

#### Rapeseed/Mustard:

Rapeseed prices maintained the stable position today amid lack of supply in the major mandis. The strong range of the prices continued in the major spot markets.

The stock with the NAFED is around 250 lakh bags, each bag containing 85 kg according to the market sources.

The major vayda exchanges today also showed almost same position. The prices in Hapur declined marginally, whereas in other exchanges improved.

The September contract at the NCDEX today after opening on the higher side however, after that fell slightly. The September contract at the NCDEX closed at Rs 362.10 per 20 kg.

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

The prices of rapeseed are likely to remain strong with a range-bound movement.

#### Status of Price & Supply of the New Crop

Markets	Prices (Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1835-40	15000
Alwar(C)	1730-35	1000
Delhi(C)	1830	1500
Agra(C)	1880	-
Sri Ganganagar (NC)	1550-60	200-300
Kota (NC)	1600	1500

#### Vayda Quotes

##### Mustard futures as on 02 September 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	Nov	344.50	344.8	345.0	343.3	+0.3	344.8
Delhi		00	00	00	00	0.0	00
Hapur	Nov	367.90	369.0	369.0	366.2	-0.2	367.7
Hapur		00	00	00	00	0.0	00
Bikaner	Oct	348.30	348.3	348.3	348.3	0.0	348.3
Hisar	Nov	340.10	340.5	340.7	338.8	+0.1	340.2
Hisar		00	00	00	00	0	00

#### Groundnut

Prices of groundnut in the South Indian markets remained stable. The arrival is lower at present. In Gujarat the prices of groundnut seed remained Rs 400-05 per 20 kg. The prices declined slightly today. Though the trend is stable.

Prices of groundnut oil improved and maintain the strength in the prices in South Indian markets.

Groundnut prices are expected to remain strong. However, the prices may remain in this range for some times.

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 Improved on Concerns of Declining Crop Weather in Illinois

The market experienced choppy, two-sided trade earlier in the session as some hope that the export terminal elevators and river barge traffic could be seeing some activity next week clashed with continued concerns over when power would be restored.

Big deliveries and fears of losing business to South America continue to pressure the market.

Weak basis levels in the Midwest are a function of the port closings. Dryness in the Midwest has helped provided support, as conditions do not look ideal for the tail end of the growing season, especially northern Illinois.

Weekly US export sales for soybeans came in at 625,400 metric tonnes, which was towards the low end of trade expectations. Cumulative new crop sales have reached just 9.8% of the USDA forecast as compared to 19.6% on average over the last five years.

The US soybean is expected to trade higher on Friday evening amidst declining crop prospects.

#### CBOT Soybean futures as on September 01 2005 (Cents/bushel)

Months	Previous Settle	Open	High	Low	Change	Close
Sep05	586.6	593.0	596.0	584.0	+9.0	595.6
Nov05	598.6	604.0	607.4	595.0	+8.4	607.0

CBOT remains closed on Saturday and Sunday.

#### South American Soybean Improved Further on Declining Trade Prospects in US

With New Orleans port down for at least several more days, South American soybeans improved marginally yesterday, as the bearishness for the US port situation would seem to be a positive factor for the Brazil and Argentina soybean markets.

India's groundnut and soybean areas have been too dry and look to stay dry for another week with above normal temperatures. India monsoons have been 94% of normal for the June to August period but 51% below normal for the week ending August 31st.

There is still plenty of uncertainty over when power will be restored to the gulf region. With continued big deliveries this morning, volatility is likely to continue, but the action may be two sided today evening.

#### Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.95
Malaysia	Ringgit	11.66
European Union	Euro	54.93
United Kingdom	GBP	80.61
Japan	100 Yen	40.01

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