

OILSEED

17th 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 strong undertone today. The contract opened above the last day's closing prices and settled on slight above of last day's closing price.

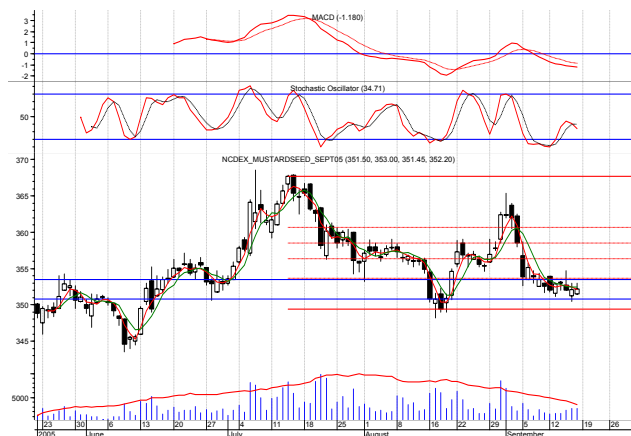
The pattern of the indicator is indicating to bullishness of the prices.

Market advice:

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

Advisable trade limits:

Support at 350.77 and Resistance at 353.49.



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 closed on opening price.

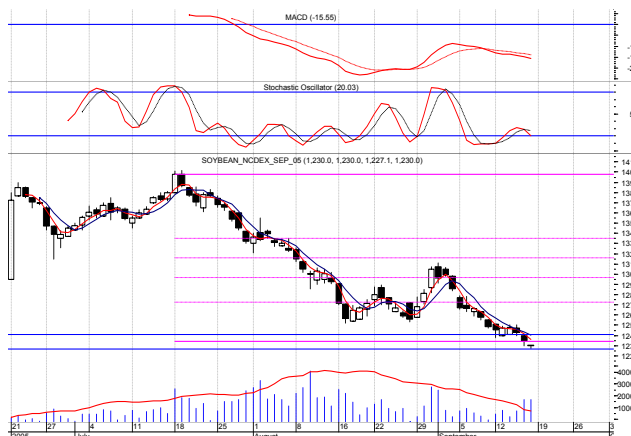
The patterns of the indicators are indicating to range bound with slight strong ness of the prices in the coming days.

Market advice:

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

Advisable trade limits:

Support at 1226.5 and Resistance at 1240.4



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. At the Indore the soybean was traded at the price Rs.1227-1230 per quintal and in Kota it is remained on Rs.1279-1281 per quintal. 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 opening price of today. The NCDEX September contract today closed at the Rs1230.00 (Down by Rs. 4.70).

Indian Agribusiness Systems Pvt. Ltd., New Delhi

According to the government of India, in the case of commercial crops, the production of soyabean in 2005-06 is estimated at 6.58 million tonnes, which fall short of the soyabean production of 7.51 million tonnes in the previous year. Bears still dominated the soybean oil market. After the reduction of the Import Duty, the market fell significantly as the speculative selling increased enormously. The Import of the edible oil is continuously on the rise, which is consistently pulling down the prices amidst lack of retail demand.

In the month of September, India has imported about 1.42 lakh tonnes of soybean oil till 17.09.05. 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 rapeseed/mustard prices remained mostly range bound with slight downtrend sentiment at most of the trading point. But most of the market showed unchanged position. 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)	1795-1800	12000-13000
Alwar(C)	Close	-
Delhi(C)	1800	500
Agra(C)	1860	-
Sri Ganganagar (NC)	1540	200
Kota (NC)	-	-

Vayda Quotes

Mustard futures as on 17th September 2005

Cent re	Mo nth s	Prev. Settle	Open	High	Low	Cha nge	Close
Delhi	Nov	337.5	336.9	337.9	336.9	0.1	337.6
Hapu r	Nov	359.1	358.3	360.3	358.2	0.6	359.7
Bika ner	Oct	347.3	347.4	347.4	347.3	0	347.3
Hisar	Nov	332.2	331.6	332.6	331.5	0	332.2

Groundnut

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 blocked. However, good demand offsets that. The kharif groundnut crop production is expected to be increased due to good rainfall. AndhraPradesh, Rajasthan and Maharashtra market also showed the stable tone today. The new kharif crop will hit the market within 15th October at full-fledged. According to the government of India, in the case of commercial crops, the production of groundnut at 5.94 million tonnes as per first advance estimate for 2005-06 is higher than that in 2004-05, which was 5.33 million tonnes.

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 Lowered Further on Increased Speculative Selling

Rains in the forecast for Sunday/Monday in some Midwest locations could slow harvest pressures early next week and may have helped support the bounce.

Taiwan bought 15,000 tonnes of US soybeans overnight and there is still talk that China may have booked 3-4 cargoes this week. However, new crop export sales are still lagging. Cumulative sales have reached 15.1% of the USDA forecast for the season as compared to 24.8% on average over the last five years.

News that India lowered their base import prices for palm and soyoil was seen as neutral but might help boost demand. The close near the lows is a bearish technical development.

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

South American Soybean Improved Marginally on Unsteady US Market

The cheap price in the US combined with the strong basis out of Brazil may have kept Brazil from benefiting much from any crossover demand after the Gulf disaster. The trend for US soybean remains down and the market still fears cash market pressure as the harvest progresses in the face of a slow export pipeline and informal reports of higher than expected yields from Ohio to Iowa. A wet weather outlook for early next week could support a bounce today.

The US is likely to use 912.5 million pounds of soybean oil in 2005 for bio-diesel production, with much of the usage in the second half of the year. Usage is expected to jump to near 1.97 billion pounds in 2006 and possibly 2.92 billion pounds in 2007.

The South American market is expected to open and trade range bound amidst increased uncertainty in the US soybean production and its export demands.

CBOT Soybean futures as on September 16, 2005 (Cents/bushel)

Month s	Previous Settle	Open	High	Low	Chan ge	Close
Sep 05	568.6	572.4	572.6	569.6	2.6	571.2
Nov 05	577.6	572.0	582.0	572.0	2.4	580.0

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

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Japan	100 Yen	39.55
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