

OILSEED

22nd September 2005

- Futures Market for Soybean Remained Weak

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX October Contract

Rapeseed October Contract showed a downtrend sentiment today. The contract opened below the last day's closing prices and closed on lower side.

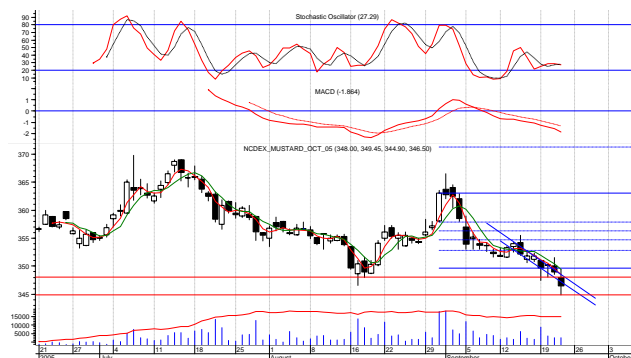
The patterns of the indicators are indicating to weakness of the prices. But the trading activity is likely to thin.

Market advice:

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

Advisable trade limits:

Support at 344.92 and Resistance at 348.23.



COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX October Contract

Soybean seed October Contract witnessed bearish today. It opened above the last day's closing price but closed on lower side.

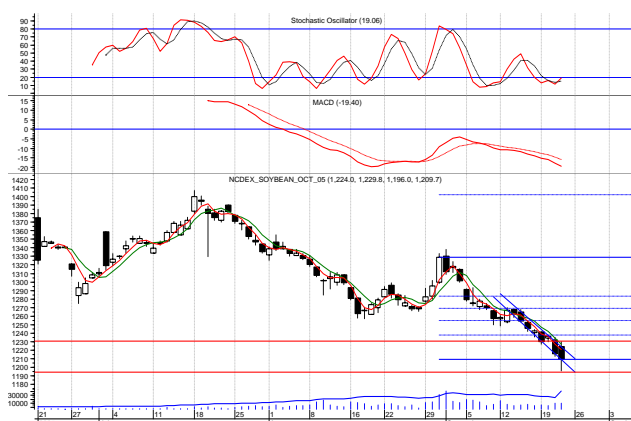
The patterns of the indicators are indicating to remain range bound with weakness of the prices in the coming days.

Market advice:

For the short-term the outlook is range bound with slight bearish although the stochastic indicate trend reversal. Remain short.

Advisable trade limits:

Support at 1194.5 and Resistance at 1230.5.



DOMESTIC MARKET COMMENTARY

Soybean:

The market price for soybean continued its weak sentiment today also at most of the trading centre. The soybean prices decreased at Indore market and traded at Rs.1175-1185 per quintal and in Kota it was remained same and traded on Rs.1265-1270 per quintal. The soybean was also decreased at Nagpur market and prevailed at the range of 1195-1210 per quintal. In Maharashtra the soybean was quoted relatively same as of last day and quoted at Rs.1180-1200 per quintal. According to the traders, the kharif soybean crop damaged due to the rains, but the rest of the crop are in good condition in Indore. The market demand remained quietly weak today.

Soybean October futures at the NCDEX today opened above the last day's closing price but settled at lower side. The NCDEX October contract today closed at the Rs1209.70 (Down by Rs. 5.75).

The oil market declined significantly on reduces retail demand and increased speculative selling.

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

Rapeseed/Mustard:

The major markets for rapeseed/mustard witnessed slight weak today as against of previous day due to less demand, although the arrival remained slight weak as compared to last day. There was no fundamental and technical support to boost up the prices. The selling pressure from NAFED has offset the prices in major trading point. The NAFED also continued its selling at the price of Rs.1600 per quintal, but traders was asking Rs.1575 per quintal, according to the trade sources.

The Vyada exchanges also showed negative sentiment today except Bikaner.

The trading activity of the October contract at the NCDEX witnessed range bound with slight weak 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) | 1790 | 10000 |
| Alwar(C) | 1675-80 | 500-600 |
| Delhi(C) | 1790-1800 | 800-905 |
| Agra(C) | 1830 | - |
| Sri Ganganagar (NC) | 1525-30 | 700 |
| Kota (NC) | 1540-60 | - |

Mayda Quotes

Mustard futures as on 22nd September 2005

| Cent re | Mo nth s | Prev. Settle | Open | High | Low | Cha nge | Close |
|----------|----------|--------------|-------|-------|-------|---------|-------|
| Delhi | Nov | 335.0 | 335.4 | 335.5 | 332.1 | -2.0 | 333.0 |
| Hapu r | Nov | 356.9 | 357.2 | 357.4 | 353.5 | -3.0 | 353.9 |
| Bika ner | Oct | 347.0 | 347.1 | 347.1 | 347.1 | +0.1 | 347.1 |
| Hisar | Nov | 328.0 | 328.4 | 328.5 | 325.5 | -2.1 | 325.9 |

Groundnut

Groundnut prices remained relatively at or near the last day's price due to stable demand at most of the places. The new crop has hit the market in Gujarat but very few and also the crop was damaged due to rain, therefore the sentiment remained poor although there was relatively strong demand. It is expected that good rainfall would boost up the crop production in this kharif season. Andhra Pradesh, Rajasthan and Maharashtra market also showed the stable tone today. The new kharif crop is expected to hit the market within 15th October at full-fledged.

In Gujarat (Rajkot) the prices of groundnut seed remained as same as of last day and traded at the price of Rs.400 per 20 kg and Rs.525-530 per 10 kg for shrink quality.

Groundnut prices are likely to remain weak for the coming few days.

Spot Rates of Groundnuts in Mumbai

| Groundnut | (Rates in Rs. Per 100 kgs) | |
|-------------|----------------------------|----------|
| | 22.09.05 | 21.09.05 |
| Gr Kernel | 2390.00* | 2390.00* |
| Bolds 60/70 | 2885.00* | 2875.00* |
| Javas 60/70 | 2990.00* | 2990.00* |
| Javas 70/80 | 2875.00* | 2875.00* |
| Javas 80/90 | 2815.00* | 2815.00* |

*Plus Tax / Against Form, X CST Paid, @ VAT Exempted

CBOT

CBOT Soy Futures Settle Higher

CBOT soy futures settled higher on Wednesday. November soybean future settled up 5.75 cents at \$5.7775 and January up at 5.75 cents at \$5.8675 per bushel. December

soybean future settled up 4 cents at \$176.6 per ton and December soy oil up 51 points at 23.21 cents per pound. Rising prices of crude oil and diesel had positive impact on soy oil prices, which further extended to whole soybean complex. Another bullish factor was unconfirmed reports of likely emergence of demand from China for US soybean. Fears of likely disruption in energy production in gulf region have added bullish impact on soy prices. On export front, Israel is tendering to buy 7000 ton of US meal and another 14000 ton of South American Meal or US.

South American Soybean Declined Marginally on Subdued Trading

Cheap prices leave the Brazil producer in a tough position ahead of the planting season, as input and energy prices are high, fuel costs are soaring and government subsidized bank credit is tight. With another hurricane moving into the Gulf of Mexico, further problems with obtaining US soybeans could cause some crossover business to Brazil from the US.

The market seems to be digging itself into a deeper hole as the port activity is just slowly picking up in New Orleans and the export pipeline is still clogged, but at the same time supply is on a sharp rise as harvest pushes into a higher gear.

Meal demand from Indonesia is expected to remain steady over the near-term in spite of bird flu problems, but the trade remains nervous, as the bird flu situation has not gone away as quickly as poultry operators had believed. Longer-term fundamentals for the soybean market are still in question, as a shift to more soybeans/less corn in the US and good weather in Brazil this year could cause enormous supply pressures.

The South American market is expected to open and continue range bound amidst increased uncertainty in the global edible oil market.

CBOT Soybean futures as on September 21, 2005 (Cents/bushel)

| Month s | Previous Settle | Open | High | Low | Chan ge | Close |
|---------|-----------------|-------|-------|-------|---------|-------|
| Sep0 5 | 572.0 | 572.0 | 585.0 | 572.0 | 5.6 | 577.6 |
| Nov0 5 | 581.0 | 580.2 | 595.0 | 580.2 | 5.6 | 586.6 |

CBOT remains closed on Saturday and Sunday.

Forex Rates

| Country/ Continent | Currency | Value in Rupees |
|--------------------|----------|-----------------|
| USA | Dollar | 43.90 |
| Malaysia | Ringgit | 11.63 |
| European Union | Euro | 53.62 |
| United Kingdom | GBP | 79.43 |
| Japan | 100 Yen | 39.38 |

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