

## OILSEED

24<sup>th</sup> September 2005

- Futures Market for Soybean Improved Further

### TECHNICAL ANALYSIS

#### COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX October Contract

Rapeseed October Contract is indicating a weak sentiment today. The contract opened far below the last day's closing prices but settled on a higher side.

All the indicators are indicating towards a bearish trend of the prices. Although stochastic and candlesticks indicates a trend reversal in the near term.

#### Market advice:

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

#### Advisable trade limits:

Support at 342.13 and Resistance at 347.83



#### COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX October Contract

Soybean seed October Contract remained firm today. It opened below the last day's closing price but closed on upper side.

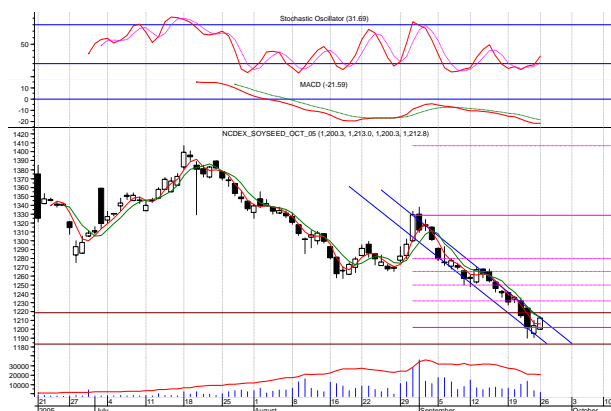
The patterns of the indicators except MA & MACD are indicating towards improvement in the coming week.

#### Market advice:

For the short-term the outlook is slightly bullish. Remain long.

#### Advisable trade limits:

Support at 1183.80 and Resistance at 1218.75.



### DOMESTIC MARKET COMMENTARY

#### Soybean:

Soybean market prices witnessed a range bound with stable position today as compared to previous day. The soybean prices remained stable at Indore market and traded at Rs.1170-1180 per quintal and in Kota it was also same as of previous day and traded on Rs.1249-1260 per quintal. At Nagpur market the soybean was quoted at the range of 1190-1195 per quintal. In Maharashtra the soybean was also quoted relatively same and quoted at Rs.1175-1180 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 improved slightly today and settled on higher side. The NCDEX October contract today closed at the Rs1212.80 (Up by Rs. 9.65).

The oil market improved significantly towards the end of the day amidst support from the firm trading for the most of the day on increased speculative buying.

In the month of September, India has imported about 1.45 lakh tonnes of soybean oil till 24.09.05. The Hazir markets traded marginally positive amidst uncertain prices at 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 major markets for rapeseed/mustard remained closed due to strike at Jaipur, Alwar and Kota. Therefore there was no trading activity feasible. The other markets showed range bound with stable sentiment today. 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)	Closed	-
Alwar(C)	Closed	-
Delhi(C)	1800	800-900
Agra(C)	1830	-
Sri Ganganagar (NC)	1525-30	700
Kota (NC)	Closed	-

#### Vayda Quotes

##### Mustard futures as on 24<sup>th</sup> September 2005

Cent re	Mo nth s	Prev. Settle	Open	High	Low	Cha nge	Close
Delhi	Nov	332.2	332.6	333.5	332.2	1.2	333.4
Hapu r	Nov	353.4	354.2	354.8	354.1	1.2	354.6
Bika ner	Oct	347.0	347.0	347.0	347.0	0.0	347.0
Hisar	Nov	325.1	325.4	325.7	325.1	0.6	325.7

#### Groundnut

Groundnut prices showed a mixed sentiment today in Mumbai and other markets also followed this same trend due to less demand. The kharif groundnut crop is expected to damage if heavy rainfall is continued. The new crop has hit the market in Gujarat but very few and also the crop were moistened due to rain, therefore the demand was poor. The new kharif crop is expected to hit the market within 15<sup>th</sup> October at full-fledged.

In Gujarat (Rajkot) the prices of groundnut seed remained at the price of Rs.390-400 per 20 kg and Rs.520-530 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)	
	23.09.05	24.09.05
Gr Kernel	2395.00*	2390.00*
Bolds 60/70	2880.00*	2880.00*
Javas 60/70	3000.00*	3015.00*
Javas 70/80	2910.00*	2925.00*
Javas 80/90	2825.00*	2840.00*

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

CBOT

#### CBOT Soy Futures Settle Lower.

Soy futures at Chicago Board of Trade settled down following interrupted shipping from New Orleans port. CBOT November future settled off 6.5 cents at \$5.74 and January off 6.25 cents at \$5.825 per bushel. CBOT December soy meal future settled off 8 cents at \$174.2 per ton and December soyoil off 41 points at 23.15 cents per pound. Market opened on firm note on ideas of fresh Chinese buying ahead. However, concern over complications in shipping offset the bullish ideas later. Some traders were of the view that easterly shift of RITA might cause delay in harvest. However, still the track of storm is uncertain, guesses on likely affect on crop harvest in Midwest might prove phoney.

#### South American Soybean Future Continued Higher on Improving Export Prospects

With China buying US soybeans from the Pacific Northwest and the US expected to become even more active at harvest into late next week (with continued talk of bumper yields) the upside looks limited unless there are signs of demand.

Brazil producer selling remains very slow and dryness in some growing regions ahead of planting will likely cause producers to increase their resolve to hold onto stocks. With greater availability of US soybeans, demand for Brazil could continue to weaken.

With some rains in the forecast for the US Midwest and futures in an oversold condition, the US futures could see a short-term bounce, but the outlook for hefty supplies in the weeks just ahead should limit the advance.

The EU-25 oilseed output was pegged at 19.66 million tonnes from 20.13 million tonnes last year and a larger share seems to be moving toward bio-diesel. India winter oilseed production is expected to rise to near 13.04 million tonnes from 12.36 million tonnes according to a leading trade organization.

The weather and surging energy market could help the market correct the overbought condition, but it is probably too early in the harvest season to believe that the market has fully absorbed the hefty crop.

#### CBOT Soybean futures as on September 23, 2005 (Cents/bushel)

Month s	Previous Settle	Open	High	Low	Chan ge	Close
Nov 05	580.4	583.0	583.0	573.4	-6.4	574.0
Jan 05	588.6	591.4	591.4	582.0	-6.2	582.4

CBOT remains closed on Saturday and Sunday.

#### Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.85
Malaysia	Ringgit	11.6339
European Union	Euro	52.7801
United Kingdom	GBP	77.8448
Japan	100 Yen	38.9864

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