

OILSEED

27th September 2005

- Futures Market for Soybean Remained Weak

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX October Contract

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

PROC, MACD Candlesticks are indicating a bearish trend and all other indicators are indicating up-trend.

Market advice:

For the short term the outlook is range bound with slight bullish. Remain long. The opening may be on a lower side.

Advisable trade limits:

Support at 345.6 and Resistance at 347.78



COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX October Contract

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

The patterns of the indicators are indicating towards improvement in the coming week. RSI, Stochastics, MA and Candlesticks are indicating upward trend.

Market advice:

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

Advisable trade limits:

Support at 1203.7 and Resistance at 1215.2



DOMESTIC MARKET COMMENTARY

Soybean:

Soybean market prices remained mixed today as compared to previous trading day. At Indore market plant delivery quote for soybean decreased and traded at Rs.1175-1180 per quintal and in Kota it increased when compared with previous day and traded on Rs.1260-1270 per quintal. The market is kept eye on the production of soybean in the coming day.

Soybean October futures at the NCDEX remained weak today. The NCDEX October contract today closed at the Rs1209.00.(Down by 3.0)

The market is expected to open range bound continue positive as the day progresses on Wednesday amidst increased buying. Buy with very short-term outlook at the opening prices.

Rapeseed/Mustard:

Mustard seed market remained stable at most of the centre today. The arrival has been increased at most of the places. 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 further decreased price and was asking Rs.1565 per quintal, according to the trade sources. Due to increased prices factories are closed and most of the commodity is now imported.

The trading activity of the October contract at the NCDEX remained range bound.

Prices of rapeseed and mustard are likely to remain range bound.

Status of Price & Supply of the New Crop

Markets	Prices (Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1785-90	15000
Alwar(C)	1660-80	2000
Delhi(C)	1790	1000-1500
Agra(C)	1830	-
Sri Ganganagar (NC)	1540	500
Kota (NC)	1540-60	150

Vayda Quotes

Mustard futures as on 27th September 2005

Cent re	Mo nth s	Prev. Settle	Open	High	Low	Cha nge	Close
Delhi	Nov	332.8	332.7	333.6	332.7	0.2	333.0
Hapu r	Nov	353.9	354.0	355.0	353.8	0.5	354.4
Bika ner	Oct	347.1	346.9	347.1	346.9	0.0	347.1
Hisar	Nov	324.5	324.8	325.7	324.5	0.7	325.2

Groundnut

Groundnut prices witnessed a range bound with stable sentiment today in Mumbai and other markets also followed this same trend due to less demand. The market is eyeing on the new crop arrival. In Chitradurg the market arrival prevailed at 20,000 gunny bags today. The arrival is likely to increase in the coming day due to good crop condition in this region. The total production is expected to be around 20-22 lakh tonnes. No rains are reported from this area. The new kharif crop is expected to hit the market after about 8 days at full-fledged.

In Gujarat (Rajkot) the prices of groundnut seed (without tax) declined slightly at Rs.510-520 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)	
	26.09.2005	27.09.05
Gr Kernel	2390.00*	2390.00*
Bolds 60/70	2880.00*	2880.00*
Javas 60/70	3015.00*	3015.00*
Javas 70/80	2925.00*	2925.00*
Javas 80/90	2840.00*	2840.00*

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

CBOT

CBOT soy futures end down

Soy futures closed lower on Monday. November soybean future settled off 6.5 cents at \$5.67 and January off 6.25 cents at \$5.7625 per bushel. December soybean future

ended down \$1.8 at \$172.6 per ton and soybean oil off 21 points at 22.94 cents per pound. Fundamentally, market is weak. US is going to harvest record 77 million ton of soybean this year. However, China is going to harvest 17 million ton. Since harvesting period of China is in synchrony with the US, Chinese should not be aggressive at this time. Weekly export inspection of USDA was bit bearish for soy. The US Department of Agriculture estimated the weekly export inspection of US soybean at 9.407 million bushels, significantly down against targeted 21.875 million bushels required to reach USDA export forecast for 2005/06.

South American Soybean Market Ends Down

November South America soybeans closed 6 cents lower at US\$ 648. With only minor harvest delays from rain in the US, talk of bumper US yields and China buying US beans from the Pacific Northwest ports, the upside potential for South American beans looks limited unless demand picks up.

Brazil producer selling remain slow due to dryness in some regions, which has encouraged sellers to hold on stocks. More production of Soybean in US, for example 38% of Louisiana soybeans remain uncut, (the total Louisiana soybean crop was expected to be 30.1 million bushels in 2005), demand for Brazil could continue to weaken. The market of soybean is bearish. Rains over the weekend in the US slowed harvest somewhat, and more rain is expected this week and into next weekend, but in between each system there is the potential for a couple of days of dry weather, so harvest delays could be limited. Earlier apprehension of less production of crude oil due to closure of refineries from US storm (Rita) has been faded with declining intensity of storm.

CBOT Soybean futures as on September 26, 2005 (Cents/bushel)

Month s	Previous Settle	Open	High	Low	Chan ge	Close
Nov 05	574.0	572.0	572.0	566.4	-6.6	567.4
Jan 05	582.4	581.0	581.0	575.4	-6.2	576.2

CBOT remains closed on Saturday and Sunday.

Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.98
Malaysia	Ringgit	11.68
European Union	Euro	52.80
United Kingdom	GBP	77.73
Japan	100 Yen	38.88

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.