

OILSEED

14th September 2005

- Domestic Market Remained Slight Weak

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX September Contract

Rapeseed September Contract

The data from NCDEX was not available today; therefore the making of technical analysis is not possible.

Market advice:

Not Possible.

Advisable trade limits:

Not Possible.

COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX September Contract

Soybean seed September Contract opened below the last day's closing price but closed slightly at higher side.

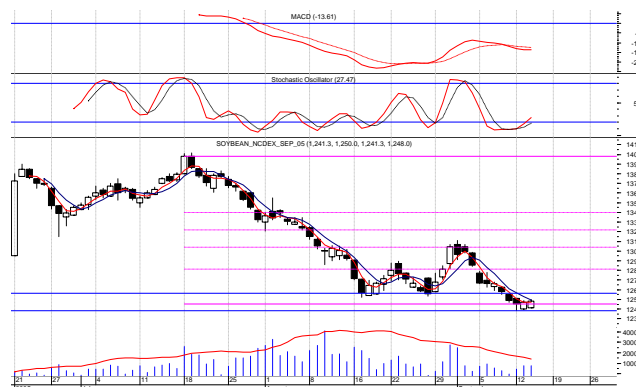
The pattern of the indicators is indicating to strong prices in the coming days.

Market advice:

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

Advisable trade limits:

Support at 1238.62 and Resistance at 1256.34



DOMESTIC MARKET COMMENTARY

Soybean:

Soybean prices improved slightly today at the major spot markets. The prices maintained the stable with slight upward movement however, due to rainfall that is expected to support the crop growth.

The domestic market continued improving as traders in the Indore market resumed to increased buying amidst expectation of good prices as the September Contract end (On 15.09.05). Bears continued to loose grip in the prices amidst increased buyer's activity at the retail market. In the month of September, India has imported about 1.20 lakh tonnes of soybean oil till 14.09.05. The Hazir markets declined marginally seeing the uncertain retail market and declining retail demand.

Soybean futures at the NCDEX today opened lower but closed at higher side. The NCDEX September contract today closed at the Rs1247.20 (Up by Rs. 0.20).

The price of soybean in Kota market was quoted at Rs. 1276-1280 per quintal. In Indore it was Rs. 1225-1230, in

Karnataka it was Rs. 1185-1195 and in Maharashtra it was Rs. 1225-1230.

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

Rapeseed/Mustard:

The rapeseed/mustard prices remained relatively higher at most of the places today as compared to last day due to less arrival. There was no rainfall noticed in Rajasthan, which keeps pressurising the prices of rapeseed and mustard. The NAFED is also waiting for the good prices for its good quality stocks. The NAFED has now closed its sells due to rainfall.

The Vyada exchanges showed some mixed trend today also however, most of the exchanges closed on the slight upside.

The trading activity of the September contract at the NCDEX remained very poor today.

Prices of rapeseed and mustard are likely to remain bullish.

Status of Price & Supply of the New Crop

Markets	Prices (Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1795	10000-12000
Alwar(C)	1690-1700	500-700
Delhi(C)	1800	800-900
Agra(C)	1845	-
Sri Ganganagar (NC)	1550	300
Kota (NC)	1540-60	600-700

Vayda Quotes

Mustard futures as on 14 September 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	Nov	340.0	339.8	340.2	338.6	-0.9	339.1
Hapur	Nov	361.8	361.6	362.0	360.4	-0.8	361.0
Bikaner	Oct	348.0	347.2	347.3	347.2	-0.8	347.2
Hisar	Nov	335.3	335.2	335.3	334.1	-0.7	334.6

Groundnut

The groundnut prices maintained its stable sentiment at most of the places due to stable demand and monsoon activity today. The arrival remained under pressure due to rainfall in the major areas. The mixing in groundnut oil remains as the negative factor for the crop. However, good demand offsets that. The kharif groundnut crop production is expected to be increased due to rainfall.

In Gujarat the prices of groundnut seed remained 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 Continued Lower on Increased Short Coverings

The market came under continued long liquidation selling pressure from fund traders and small speculators who are absorbing the bearish supply outlook from the USDA reports yesterday.

With harvest beginning to pick-up, cash basis bids were weak. The weekly crop progress report showed that 54% of the crop was rated in good to excellent condition which was unchanged from last week.

The report showed that 37% of the crop was dropping leaves as of Sunday as compared with 31% as the 5-year average for this time of the year. Early maturing crops could cause yields to come in slightly below expectations.

The lack of deliveries against the September soybeans or products this morning provided some underlying support. For the NOPA August crush report, traders are looking for crush near 128 million bushels.

Consistent domination of the bears is expected to continue amidst increasing prospects of good crops in US.

South American Soybean Lowered Amidst Expected Hike in Brazilian Soybean Production

There was underlying support in the market from the new USDA forecast for Brazil soybean production at 60 million tonnes, down 2 million from last month but up 9 million from last year's drought impacted crop.

The cash markets are at a standstill in Brazil as producers are unwilling to sell at current price levels and producers who have storage are holding tight.

World ending stocks were revised lower by 3.35 million tonnes due to downward revision in Brazil production and continued strong world demand.

There are some increasing concerns with Asia flu, which continues to spread. The flu has killed 63 in Asia and the World Health Organization remains concerned that the flu will mutate with the common human flu and trigger a worldwide pandemic.

With a relatively tight ending stocks forecast in the US, it will not take much in the way of supply or demand disruptions for the US harvest or the Brazil planting season to stabilize the bear trend.

CBOT Soybean futures as on September 13, 2005 (Cents/bushel)

Months	Previous Settle	Open	High	Low	Change	Close
Sep05	575.0	572.0	577.0	569.0	+1.0	576.0
Nov05	585.0	580.0	586.6	578.2	+1.0	586.0

CBOT remains closed on Saturday and Sunday.

Forex Rates

Country/Continent	Currency	Value in Rupees
USA	Dollar	43.92
Malaysia	Ringgit	11.63
European Union	Euro	53.97
United Kingdom	GBP	80.21
Japan	100 Yen	39.72

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