

OILSEED

8th September 2005

- Rapeseed Prices Maintain the Weakness

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX September Contract

Rapeseed September Contract opened slightly lower and after that the contract declined smoothly.

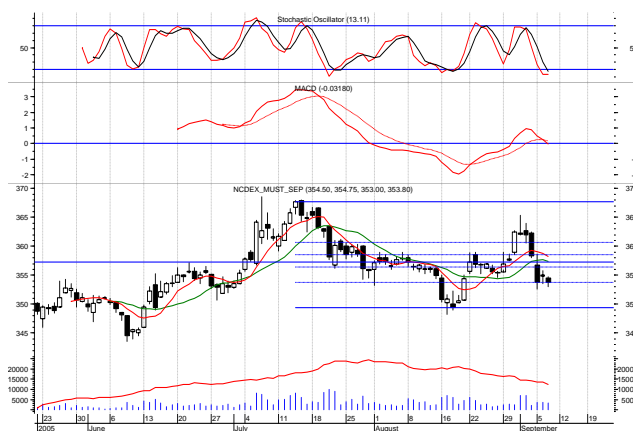
The indicators are showing further weakness in the very-short-term. Only the MAs remain positive.

Market advice:

Prices are expected to open on the lower side. Remain short.

Advisable trade limits:

Support at 351.0 and Resistance 355.0



COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX September Contract

Soybean seed September Contract opened lower and then tried to recover marginally.

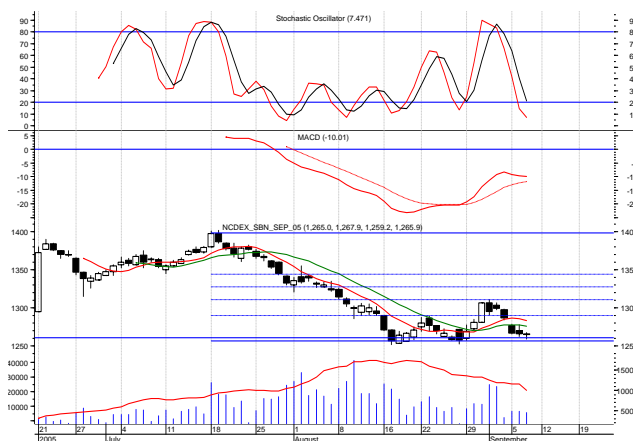
The indicators are pointing towards the further weakness in the prices in the short-term.

Market advice:

For the short-term the outlook is bearish. Remain short.

Advisable trade limits:

Support at 1257.0 and Resistance at 1271.0



DOMESTIC MARKET COMMENTARY

Soybean:

The prices of soybean remained weak today amid weather conditions in MP. Yesterday there was good rain that helped the crop. The crop needed rainfall at this stage for betterment. This put pressure on the prices. Today however, there was no rainfall till the evening.

The prices of the soy meal and soy oil also declined today at the major markets.

Soybean futures at the NCDEX today opened lower and maintained weakness throughout the session. The NCDEX September contract today closed at Rs1265.95 (Down by Rs. 0.40).

The price of soybean in Kota market was quoted at Rs. 1225-30 per quintal. In Madhya Pradesh it was Rs. 1245, in Karnataka it was Rs. 1195 and in Maharashtra it was Rs. 1240.

For the very short-term and short-term the outlook is bearish. The prices may go down further.

Rapeseed/Mustard:

Rapeseed prices maintained the weakness today also amid the selling pressure and weather conditions. Scattered rainfall was reported in some parts of Rajasthan. The NAFED has started selling its stocks in different markets. According to the market sources around 50000 tonnes of

rapeseed and mustards were sold so far. The selling by the NAFED is putting weight on the prices of rapeseed.

All the major vayda exchanges also showed weakness today. The prices declined in a steady manner.

The September contract at the NCDEX today after opening on the lower side declined smoothly. The September contract at the NCDEX closed at Rs 353.80 per 20 kg.

The arrival of mustard in Rajasthan remained at around 0.20 lakh bags today.

Presently due to rain and selling by the NAFED the prices of rapeseed and mustard are likely to remain weak.

Status of Price & Supply of the New Crop

Markets	Prices (Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1805-10	15000
Alwar(C)	1700	1000
Delhi(C)	1805	900
Agra(C)	1840-50	-
Sri Ganganagar (NC)	1560	500
Kota (NC)	1540-60	1500

Vayda Quotes

Mustard futures as on 08 September 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	Nov	340.10	339.6	339.8	338.7	-0.8	339.3
Hapur	Nov	362.20	360.7	361.5	359.9	-1.3	360.9
Bikaner	Oct	348.20	348.2	348.2	348.2	0.0	348.2
Hisar	Nov	336.00	335.1	335.1	334.3	-1.2	334.8

Groundnut

Prices of groundnut in the major markets remained strong today amid lower arrival. The arrival remained under pressure due to rainfall in the major areas. Some South Indian markets remained closed today also on the occasion of Ganesh Chaturthi.

In Gujarat the prices of groundnut seed remained Rs 395 per 20 kg. The prices show some strength due to expectation that the recent rainfall would cause the arrival to come late by at least 10-15 days.

In the coming few days the prices of groundnut are likely to improve on lower and late arrival of the crop.

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 Declining on Improving Crop Prospects

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US soybean futures lowered on concerns of improving weather in most parts of soybean growing areas in spite of the support from the meal demand.

The weekly crop progress report showed a 1% increase in the percentage of crops rated good to excellent to 54%, but traders were looking for a 1-2% decline in conditions, augmenting the bearish market tone.

Increased delivery pressure also lowered the markets significantly. Oil deliveries were 320 lots and the soybean deliveries were close to 42 lots.

Improving prospects of the soybean crop in US is expected to further lower prices in the coming days.

CBOT Soybean futures as on September 07, 2005 (Cents/bushel)

Months	Previous Settle	Open	High	Low	Change	Close
Sep05	604.6	601.2	601.2	592.4	-9.6	595.0
Nov05	614.2	608.0	612.4	603.0	-8.0	606.2

CBOT remains closed on Saturday and Sunday.

South American Soybean Improved Further on Expected Surge in Demand

South American soybean futures improved marginally on expectation of increasing trade in the coming days with lots of business opportunity shifting from US to Latin American Countries.

The focus of attention would soon be shifted to Brazil's crop size. In Brazil, at present producers are facing a squeeze on available government credit, higher production costs and a strong local currency. The persisting dry weather in the growing areas is also not so favourable for the proper soybean sowing.

Soybean fields, which have reached maturity and are turning brown did not benefit from last week's rains. Other areas of Illinois and eastern Iowa, which did not get rain last week, also saw deteriorating conditions for the week. The grim situation of crop in US has added bullishness in the South American Soybeans.

Bio-diesel demand is expected to accelerate in the months ahead as new production facilities come on line, and the surge in diesel prices should help secure new activity in the soybean market.

Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	43.86
Malaysia	Ringgit	11.63
European Union	Euro	54.53
United Kingdom	GBP	80.57
Japan	100 Yen	39.77