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OILSEED

01st September 2005

- Groundnut Prices Maintain Stable Position Today

TECHNICAL ANALYSIS

COMMODITY: MUSTARD SEED

Perspective: Very Short Term

NCDEX September Contract

Rapeseed September Contract opened slightly lower and after that went up smoothly. However, the prices closed near the day low.

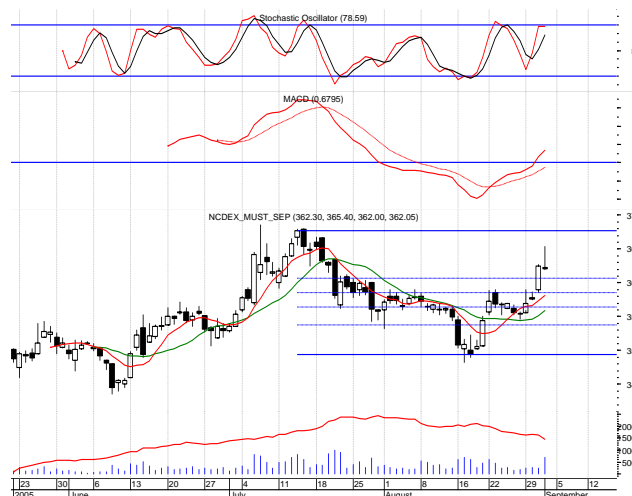
All the indicators are indicating towards a mixed situation.

Market advice:

Prices may open lower and slight weakness may remain.

Advisable trade limits:

Support at 360.84 and Resistance 363.8



COMMODITY: SOYBEAN SEED

Perspective: Very Short Term

NCDEX September Contract

Soybean seed September Contract opened unchanged and tried to go up but failed and closed the day on the lower side.

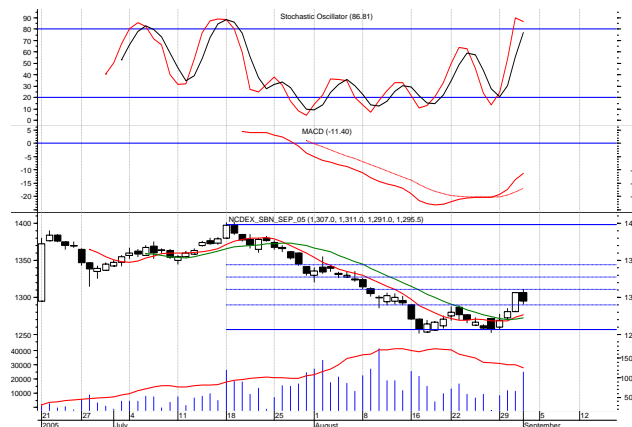
The indicators are not clearly indicating any direction. The market may open lower.

Market advice:

Long-term investors maintain long position. Short-term investors for intra-day movement remain short.

Advisable trade limits:

Support at 1290.0 and Resistance at 1311.00



DOMESTIC MARKET COMMENTARY

Soybean:

Soybean prices today saw a reversal. In the major markets the prices went down today due to expectation of rainfall in the producing areas.

The crop acreage is low in some of the producing states. The coming crop is also likely to decline further if it does not rain within a week.

The DOC prices however, improved today amid improvement in the demand.

Soy oil prices however, went down today at the NBOT, Indore.

Soybean futures at the NCDEX today opened unchanged and then went up smoothly after that went down. The NCDEX September contract today closed at Rs1295.5 (Down by Rs. 11.50).

The price of soybean in Kota market was quoted at Rs. 1250 per quintal. In Madhya Pradesh it was Rs. 1270, in Karnataka it was Rs. 1200 and in Maharashtra it was Rs. 1255.

The prices of soybean are likely to improve further in the coming days.

Rapeseed/Mustard:

Prices of rapeseed and mustard remained strong today. The major spot markets today witnessed significant increase in the prices of rapeseed and mustard.

The major vayda exchanges showed overall improvement in the prices today. The prices in Hapur declined marginally, whereas in other exchanges improved.

The September contract at the NCDEX today after opening marginally lower improved after that. The September contract at the NCDEX closed at Rs 362.05 per 20 kg.

The arrival of mustard in Rajasthan remained at around 0.15 lakh bags today.

The strong trend in the prices of rapeseed is likely to continue in the domestic spot markets tomorrow also.

Status of Price & Supply of the New Crop

Markets	Prices (Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1840	15000-20000
Alwar(C)	1735-40	1000
Delhi(C)	1850	1000
Agra(C)	1880	-
Sri Ganganagar (NC)	1570-75	200-250
Kota (NC)	1580-1610	1500

Vayda Quotes

Mustard futures as on 01 September 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	Aug	345.80	348.8	348.8	348.8	+3.0	348.8
Delhi	Nov	344.50	344.7	346.0	344.3	0.00	344.5
Hapur	Aug	368.60	367.5	368.8	367.5	0.00	368.6
Hapur	Nov	368.50	369.2	370.7	367.5	-0.60	367.9
Bikaner	Aug05	348.20	348.2	348.3	348.2	+0.10	348.3
Hisar	Aug	333.00	333.0	333.1	333.0	0.00	333.0
Hisar	Nov	340.00	341.0	341.6	340.0	+0.10	340.1

Groundnut

Groundnut prices in Gujarat maintained the stable trend today also amid strong sentiments. In South Indian markets also the prices maintained the steady trend. The old stocks fetched Rs 1850 per quintal whereas the new stocks saw a price of Rs 1550 per quintal. The arrival remained around 2000 bags in Chitradurg mandi.

Prices of groundnut oil also remained stable today.

There may be further improvement in the prices of groundnut ahead.

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 Dipped Sharply on Increased Speculative Selling

Uncertainty as to when the export terminals at the gulf will re-open and fears that export demand will soon shift to South America pressured increased speculative selling.

Dryness in the Midwest supported the early bounce but the market could not shake the big deliveries and the fear that the ports will remain closed for an extended period of time, which will encourage end-users to shift to South America soybeans.

Fear of large beginning stocks, lack of exports and the start of harvest is all expected to pull down the prices.

In the export sales report, released before the opening, soybean sale is expected to come in near 600,000-900,000 tonnes, meal sales at 50,000-100,000 tonnes and oil sales near 2,000-8,000 tonnes.

The US soybean is expected to continue lower on Thursday evening amidst increased delivery pressure.

CBOT Soybean futures as 31 August 2005 (Cents/bushel)

Months	Previous Settle	Open	High	Low	Change	Close
Sep05	599.6	604.0	604.0	585.4	-13.0	586.6
Nov05	611.0	615.0	615.0	597.0	-12.4	598.6

CBOT remains closed on Saturday and Sunday.

South American Soybean Continued Improving Amidst Support from Increased Export Demand

With the New Orleans port down for at least several more days and the city still filling up with floodwaters, South American exporters seem to have an advantage for capturing any business for nearby shipment.

End users who were waiting for soybeans from the US for shipment this week may need to switch to South American origin if it looks like port delays will continue for an extended period.

China seems to be getting more active, which might spark some increased business from Brazil.

The hurricane has destroyed nearly 5-10 million bushels of soybeans due to flooding and wind damage.

South American market is expected to trade positive amidst increasing prospects exports from Asian countries.

Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.12
Malaysia	Ringgit	11.68
European Union	Euro	54.38
United Kingdom	GBP	79.53
Japan	100 Yen	39.81

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