

OILSEED

21st October, 2005

- NCDEX Soybean Declines

TECHNICAL ANALYSIS

COMMODITY: SOYBEAN

Perspective: Very Short Term

NCDEX November Contract

Soybean seed November Contract The contract-opened firm today and then followed a downtrend and ended low in today's trading session. Stochastic, MACD, PROC, RSI and Candlesticks are indicating a bearish trend.

Market advice:

For the short term the sentiment is bearish. Remain short.

Advisable trade limits: (Support & Resistances)

Contract	Supports	Resistances
November	1217.00	1238.00
	1210.30	1242.00



COMMODITY: RAPESEED

Perspective: Very Short Term

NCDEX November Contract

Rapeseed seed November Contract opened up today and settled low. It is likely open low and end up tomorrow. Stochastic, Candlesticks, RSI, PROC are indicating a bullish trend.

Market advice:

For the short-term the outlook is bullish. Go for Long position.

Advisable trade limits: (Support & Resistances)

Contract	Supports	Resistances
November	345.00	346.80
	344.70	347.10



DOMESTIC MARKET COMMENTARY

Soybean:

Soybean seeds traded slightly up today at domestic spot markets. According to traders fresh arrivals of about 3,50,000 bags are reported in Madhya Pradesh and 1,50,000 bags in Maharashtra and of 1,00,000 bags in Rajasthan markets. In Indore Soybean seed plant delivery quote was Rs.1210-25 per quintal. In Kota Soybeans traded at Rs.1230 per qtl. In Dhulia it traded at Rs.1200 per quintal, and improved at Rs.1200-1210 in Nagpur. In India demand is reported to be good for Soybean due to festive season. In international markets like China and US crop harvest is reported to be good. Another issue for Soybean demand is the fear of Bird flu thus decreasing the demand

for Soybeans marginally Supplies are very high and is greater than demand. The climate is favourable for harvesting activities.

Therefore in near term Soybean prices are expected to be in a downtrend.

Rapeseed/Mustard:

Sowing of rapeseed is gaining pace in mustard growing regions of India and weather is good for sowing. NAFED has reduced its offer price and is now offering at Rs.1580. NAFED's tender has been opened and the decision may be out in a day or two. Buying from NAFED is observed. Mustard crop will arrive in April, May and June next year. The demand for mustard seed is good. However pressure

is from Soybean market as arrival of soybean is reported very high in Madhya Pradesh and Rajasthan. The prices are expected to remain range bound.

Status of Price & Supply of the New Crop (Oct 21,05)

Markets	Prices (Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1760	15000
Alwar(C)	1680-85	1000
Delhi(C)	1775	1500
Agra(C)	1840	-
Sri Ganganagar (NC)	1535-40	500
Kota (NC)	1500-1525	2500

Vayda Quotes

Mustard futures as on 21st October 2005

Cent re	Mo nth s	Prev. Settle	Open	High	Low	Cha nge	Close
Delhi	Nov	335.3	335.0	335.1	333.6	-1.2	334.1
Hapu r	Nov	355.6	355.0	355.2	354.3	-0.9	354.7
Bika ner	Oct	347.0	347.0	347.0	347.0	-1.2	347.0
Hisar	Nov	326.6	326.3	326.5	325.2	0.0	325.7

Groundnut

Groundnut seed at Rajkot declined today by Rs10 at Rs.375 per 20 Kg as compared to Rs. 385 on previous day. In Rajkot arrival of about 13000 bags is reported and in Gujarat arrival of 150000 bags of fresh groundnut seeds are reported. The arrival of groundnut is expected to be at its peak in the coming days particularly after Diwali. Domestic demand for direct consumption of groundnut is reported to be good. Demand from groundnut oil industry and from agriculture sector is present. Sowing has started in some areas of Orissa, Andhra Pradesh and Tamil Nadu. Sowing activities are expected to increase in coming days. The export demand for groundnut seed is also improving. Supply is increasing day-by-day therefore traders are expecting a fall in prices.

Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 kgs)	
	20.10.05	21.10.05
Gr Kernel	2615*	2610*
Bolds 60/70	2860*	2860*
Javas 60/70	3090	3075*
Javas 70/80	2990*	2950*
Javas 80/90	2925*	2915*

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

CBOT

CBOT Soy Futures Settle Down

The November Soybean future at Chicago Board of Trade settled down 4.25 cent on Thursday at \$ 5.85 per bushel, 1.5 cent off the high and 2.25 cent up from the low and January Soybean settled low 3.75 cent at \$ 5.98 per bushel, 4.75 cent off the high and 3 cent up from the low. December Soybean settled lower \$ 0.3 at \$ 171.9, \$ 1.7 up from the low and \$ 0.1 off the high and December Soybean Oil settled down 0.33 cent at 23.98 cent per pound, 0.24 cent off the high and 0.13 cent up from the low. Harvesting is running smoothly. Increased selling by farmers in USA continued to pressure the market. Demand for Soybean is feared to decline due to widely spreading bird flue in Russia, China and Europe. Weekly US export sales for soybeans was 888,700 metric tonnes as compared to trade expectations between 700,000-900,000 metric tonnes and Soybean sales was 121,300 metric tonnes as compared to trade expectations between 125,000-225,000 metric tonnes and Soybean oil was also lower than expectations. The China is the major importer of US Soybean.

South American Soy Futures Settle Higher

The November South American soybean future settled 2.5 cent higher on Thursday at \$ 6.56 per bushel. The spreading news of bird flue in China, Russia and European countries may have negative impact on Soybean for short period. This has been noticed that the sharp drop in eating poultry in Europe and USA and major poultry producer has reduced the demand of Soybean temporarily. The apprehension of transmission of human to human is the major concern for USA. The South American soybean can reduce the acreage due financial constraints and high input cost, which could impact the crop outlook. Weekly export sales for soybeans was 888,700 metric tonnes, as compared with 684,900 tonnes last week, it upper end of the expectation. However, the soy meal sale was 119,800 metric tonnes for the current crop and 1,500 for next year's crop for a total of 121,300 metric tonnes, which was below expectations. There were net cancellations of 1,300 metric tons of bean oil, which was disappointing against expectations.

CBOT Soybean futures as on October 20, 2005

(Cents/bushel)

Month s	Previous Settle	Open	High	Low	Change	Clos e
Nov 05	589.2	583.4	586.0	583.0	-4.2	585
Jan 05	601.6	596.4	598.4	586.4	-3.6	598

CBOT remains closed on Saturday & Sunday

Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.09
Malaysia	Ringgit	11.91
European Union	Euro	54.31
United Kingdom	GBP	80.02
Japan	100 Yen	39.07

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