

OILSEED

10th October, 2005

- Soybean price eases on improving arrivals

TECHNICAL ANALYSIS

COMMODITY: SOYBEAN

Perspective: Very Short Term
NCDEX November Contract

1. The MACD has flattened in negative territory and is trying to creep upwards. However the attempt is very feeble and short term indications are bearish.

2. Stochastic oscillator has sharply fallen and is nearing oversold territory. The %K line is still below the %D line indicating continued bearishness.

3. The 9-day EMA (Exponential Moving Average) is below the 18-day EMA and the price line is below both EMAs and dipping further. These will act as resistances in any upmove.

Prices are trapped in a tapering downward sloping wedge. The wedge is formed by the long term support trend line and the shorter term resistance trend line. Currently they are at 1174 and 1201 respectively.

Market Advice: Since weakness is expected to continue, remain short over the medium term. For fresh short positions go short between 1196 and 1200.



Expected Supports and Resistances Levels

Contract	Supports	Resistances
November	1188.00	1196
	1183.75	1200

COMMODITY: RAPESEED

Perspective: Very Short Term
NCDEX November Contract

1. The MACD is gently rising in negative territory but the upmove is weak. It is inconclusive to very mildly bullish over the medium term.

2. The Stochastic oscillator is falling further in negative territory with the %K line below the %D line. Short term weakness is indicated.

3. The 9-day EMA (Exponential Moving Average) is below the 18-day EMA and the price line is below both. The price tried to pierce through the 9-day EMA but failed. Further weakness is possible.

Similar to Soybean, the prices are trapped in a tapering downward sloping wedge and will likely remain in this channel for some more time.

Market Advice: Since weakness is expected to continue, remain short over the medium term. For fresh short positions go short around 345.10



Expected Supports and Resistances Levels

Contract	Supports	Resistances
November	343.60	345.00
	342.90	345.70

DOMESTIC MARKET COMMENTARY

Soybean:

Soybean prices continued to ease on increasing arrivals of soybean in the producing mandis. Demand has ebbed down due to high availability of imported oil. Low demand from the crushers kept the soy markets in melancholy. In Kota soybean changed hands at Rs. 1200 per qtl. In Maharashtra markets Soybean was traded at Rs. 1150-1160 per qtl. Arrivals in Indore totaled at 50,000 bags. The price of Soyabean ranged between Rs.1000-1120. Prices for soybean in Nagpur and Dhulia were quoted at Rs. 1170 and while in Latur, soybean was offered at Rs.1150 per qtl. Perspectives are not very supportive in overseas markets

as well. Traders are waiting for USDA monthly data due to be released on Wednesday.

Rapeseed/Mustard:

Sowing of rapeseed has started in almost all the producing areas. Traders are expecting recent revision in its Minimum Support Price is unlikely to help farmers sowing more rapeseed. Rapeseed is getting sold at price far below MSP in some areas of Rajasthan. Even NAFED is offering rapeseed at Rs 1600 per qtl. There are increased probabilities of farmers to switch to other crops like gram etc. Rapeseed has long shelf life. According to traders, around 1.4-1.5 million ton of rapeseed is still in the possession of stockists and traders, while NAFED has around 1.8-1.9 million ton of rapeseed. Prices of rapeseed in Sri Ganganagar were quoted at Rs 1590 per qtl. Arrivals in Ganganagar were reported at 300-400 bags.

Status of Price & Supply of the New Crop

Markets	Prices (Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1750-55	15000
Alwar(C)	1670-1675	1000
Delhi(C)	1765-1170	700-800
Agra(C)	1830	-
Sri Ganganagar (NC)	1530-1540	500
Kota (NC)	1500	2500

Vayda Quotes

Mustard futures as on 10th October 2005

Centre	Months	Prev. Settle	Open	High	Low	Change	Close
Delhi	Nov	333.7	333.1	333.2	332.3	-1.2	332.5
Hapur	Nov	354.5	353.7	353.7	352.9	-0.9	353.6
Bikaner	Oct	-	-	-	-	-	-
Hisar	Nov	324.7	323.7	323.9	323.4	-0.8	323.9

Groundnut

Harvest of groundnut is progressing well in Gujarat. Arrivals of fresh seed in Rajkot totaled at 40,000 bags. Harvest of groundnut is expected to start in Karnataka and Maharashtra in a week or so. Prices of groundnut in Rajkot were quoted at Rs 2700-2800 per qtl. Production of groundnut in Gujarat alone is expected to increase to 22 lakh ton. Weak demand for the groundnut oil weighed on its values. According to traders, retailers seem to have covered for their immediate requirement. Prices of seed are likely to ease further in the coming weeks.

Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 kgs)	
	8.10.05	10.10.05
Gr Kernel	2490*	2480*
Bolds 60/70	2880*	2870*
Javas 60/70	3090	3890*
Javas 70/80	3015*	3010*
Javas 80/90	2950*	2925*

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

DALIAN COMMODITY EXCHANGE

Soybean futures at Dalian commodity Exchanged settled higher as market opened after long holidays. Benchmark January future settled up CNY6 at CNY2729 per ton. Firming up in the soy futures was credited to spillover strength from the corn futures. However, concern over likely increase in harvest pressure helped limiting gains. China is going to harvest 17 million ton of soybean this year. Harvesting of soybean has started in some areas.

CBOT

CBOT Soybean futures as on October 7, 2005 (Cents/bushel)

Months	Previous Settle	Open	High	Low	Change	Close
Nov 05	5634.2	564.0	568.6	563.4	0.0	564.2
Jan 05	576.4	576.0	580.0	575.4	-0.4	576.0

CBOT remains closed on Saturday & Sunday

Forex Rates

Country/Continent	Currency	Value in Rupees
USA	Dollar	44.62
Malaysia	Ringgit	3.80
European Union	Euro	54.15
United Kingdom	GBP	78.61
Japan	100 Yen	38.25

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