

OILSEED

18th October, 2005

- NCDEX Soybean Future ends Slightly Up

TECHNICAL ANALYSIS

COMMODITY: SOYBEAN

Perspective: Very Short Term

NCDEX November Contract

Soybean seed November Contract The contract opened low today but ended up at the end of the trading session. Stochastic, RSI, MA and Candlesticks are indicating a bearish trend. The contract may open low tomorrow.

Market advice:

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

Advisable trade limits: (Support & Resistances)

Contract	Supports	Resistances
November	1223.00	1238.00
	1216.00	1243.00

COMMODITY: RAPESEED

Perspective: Very Short Term

NCDEX November Contract

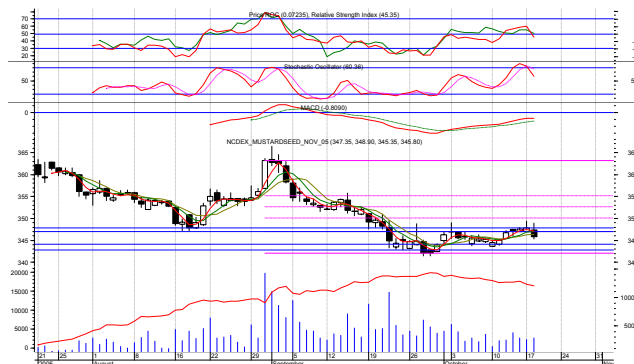
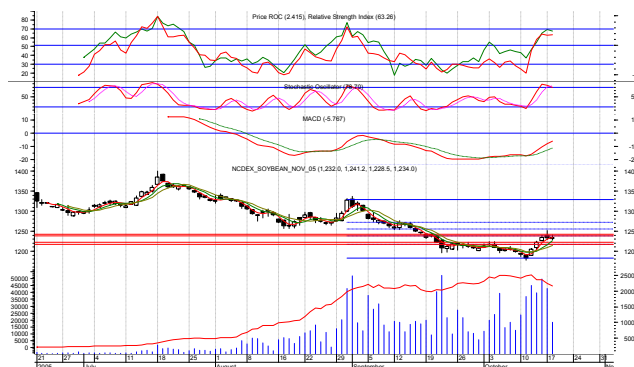
Rapeseed seed November Contract opened up and closed low today. Bearish sentiments may continue to remain tomorrow and the price may open low. RSI, PROC, Stochastic, candlesticks, MA are indicating a bearish trend.

Market advice:

For the short-term the outlook is bearish. Go for Short position.

Advisable trade limits: (Support & Resistances)

Contract	Supports	Resistances
November	344.10	347.00
	342.90	348.00



DOMESTIC MARKET COMMENTARY

Soybean:

Soybean prices declined today at domestic spot markets. According to traders arrival of about 250000 bags is reported in Madhya Pradesh out of which 13000 to 15000 bags arrived in Indore market. In Indore Soybean seed traded at Rs.1190 - 1205. In Dhulia it traded at the rate of Rs.1185-90. In Kota it traded at Rs.1190 to 1210. The demand is good for Soybean due to festive season. However supply is more thus disclosing a greater supply than demand. The climate for harvesting is reported to be most suitable. Therefore the prices may decrease in the coming days.

Rapeseed/Mustard:

Sowing of rapeseed is continuing in almost all the mustard growing regions of India. According to trade sources weather in Rajasthan is good for sowing operations. Tariff on soybean oil is increased to \$10 per tonne. Thus raising of import duty may bring in increase in prices of mustard and other oils in domestic market. NAFED is offering at 1600 and selling has started. The crop usually arrives in the months of April, May and June. The demand for mustard seed is good. The prices are expected to improve in the near term.

Status of Price & Supply of the New Crop (Oct 18,05)

Markets	Prices (Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1780-85	8000-10000
Alwar(C)	1690-1700	800-1000
Delhi(C)	1780	1500
Agra(C)	1840	-
Sri Ganganagar (NC)	1550	700
Kota (NC)	1530-40	2000

Vayda Quotes**Mustard futures as on 18th October 2005**

Cent re	Mo nth s	Prev. Settle	Open	High	Low	Cha nge	Close
Delhi	Nov	335.6	336.0	336.0	334.6	-0.9	334.7
Hapu r	Nov	356.3	356.6	356.7	354.7	-1.4	354.9
Bika ner	Oct	347.0	347.0	347.0	347.0	-0.6	347.0
Hisar	Nov	327.3	326.8	327.8	326.7	0.0	326.7

Groundnut

Groundnut seed at Rajkot continued traded firm today at Rs.375 per 20 Kg. In Rajkot arrival of about 14000 bags is reported and in Gujarat arrival of 125000 bags of fresh groundnut seed are reported. The arrival of groundnut is expected to be at its peak after Diwali, as most of the cultivators will increase harvesting operations after that time. The domestic demand for groundnut is reported to be good. High demand is observed from groundnut oil industry amid festival season ahead and for direct consumption also. The demand is not only reported from these sectors but from agriculture sector also as sowing has started in some areas of Orissa, Andhra Pradesh and Tamil Nadu. In these areas sowing activities may improve in the coming days. According to trade sources the cultivators are facing the problem of shrinkled kernel bringing less production. Therefore the prices are expected to remain firm in the coming days.

Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 kgs)	
	17.10.05	18.10.05
Gr Kernel	2625*	2625*
Bolds 60/70	2870*	2870*
Javas 60/70	3090	3090*
Javas 70/80	2990*	2990*
Javas 80/90	2925*	2925*

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

CBOT**CBOT Soy Futures Settle Marginally Higher**

Soy futures at Chicago Board of Trade settled higher on fund buying. November Soybeans future finished up 1.75

cent at \$5.9125 per bushels, 8 .25 cent off the high and 2.25 cent up from the low and January Soybeans settled up 3.25 cent at \$6.0375, 6.25 cent up from the low and 7.25 cent off the high. December Soymeal closed down 1.3 cent at \$175.2 per metric tonnes, 0.2 cent up from the low and 1.7 cent off the high. December Soybean Oil closed up 0.36 cent at 24.39 cent per pound, 0.38 cent off the high and 0.14 cent up from the low. The buying of US soybean from China has added positive bullish impact in soybean markets. Growers has been reserve seller of soy so far. Mild support also came from friendly export inspection report. The US Department of Agriculture estimated the weekly export inspection of US soybean at 32 million bushels against earlier expectations of 17-24 million bushels. Rising energy prices also provided impetus to soyoil.

South American Soy Futures Settle Slightly Higher

November South American soybeans future settled 2.5 cents higher at \$ 6.60/bushels on Friday. The China imported 1.87 million tonnes of soybeans in September and there was rumour that the China is going to buy more soybeans from US market, it has led to negative impact on Brazil market. There was slow cash activity in Brazil due to above-mentioned rumour. The USDA estimated Brazil production about 60 million tonnes last week, however the estimate of local traders is 57-58 million tonnes. Better supply is expected this year from Brazil due to favourable weather for soy crop in Brazil. The soybean oil market received positive fundamental news. The crushing of soy was above than expectation in the month of September, but stock of soyoil was low despite of higher crushing. The Government of India increased the base import prices on palm oil and soyoil, in spite of that oil market receives bullish news. It is an indication that the use of bio-diesel is increasing.

CBOT Soybean futures as on October 17, 2005 (Cents/bushel)

Month s	Previous Settle	Open	High	Low	Change	Clos e
Nov 05	589.4	590.0	599.4	587.0	1.8	591 .2
Jan 05	600.4	601.0	611.0	601.0	3.2	603 .6

CBOT remains closed on Saturday & Sunday

Forex Rates

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.82
Malaysia	Ringgit	11.95
European Union	Euro	54.15
United Kingdom	GBP	79.00
Japan	100 Yen	39.03

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