

OILSEED

21st December, 2005

- Soyabean January NCDEX Prices Declines

TECHNICAL ANALYSIS

Commodity: Soybean

Indicators- Prices at NCDEX Soyabean January contract opened far below when compared to previous days close and settled low. Candlesticks are indicating bearish sentiments and RSI, MA, MACD and Stochastic, are indicating that prices may remain bearish tomorrow.

Market advice: The prices are most likely expected to trade bearish tomorrow.
NCDEX Jan 06 contract: sell below 1146.00 with a take profit of 1140.00-1133.00 and a strict stop loss of 1150.00

Soybean Future Closing price

| Contract | 20.12.05 | 21.12.05 | Chg |
|----------|----------|----------|--------|
| January | 1163.30 | 1147.10 | -16.20 |

NCDEX JANUARY CONTRACT



Expected Support and Resistance Levels

| Contract | Supports | Resistances |
|----------|----------|-------------|
| January | 1141.00 | 1149.00 |
| | 1134.00 | 1160.00 |

Commodity: RAPESEED

Indicators- Prices at Mustard January NCDEX contract opened low today when compared to previous days close. However didn't sustain at lower levels and improved and settled high today.

Market advice- The prices are most likely to observe some upward movement tomorrow.

NCDEX Jan 06 contract: Buy above 333.90 with a take profit of 334.80-335.50 and a strict stop loss of 333.00

Mustard Future Closing price

| Contract | 20.12.05 | 21.12.05 | Chg |
|----------|----------|----------|-------|
| January | 332.35 | 333.80 | +0.45 |

NCDEX JANUARY CONTRACT



Expected Support and Resistance Levels

| Contract | Supports | Resistances |
|----------|----------|-------------|
| January | 332.90 | 335.10 |
| | 331.90 | 336.00 |

DOMESTIC MARKET COMMENTARY

Soybean:

Soybean prices declined slightly today at domestic spot market. In Indore soyabean seed in mandi today traded low at Rs. 1110-1120 per quintal as compared to previous days Rs 1120-1130 per quintal. Plant delivery soyabean seed changed hands at Rs. 1150-60 60per quintal. Madhya Pradesh markets witnessed inflow of 150000 bags and Maharashtra of 175000 bags and in Rajasthan of about 32000-33000 bags. The demand from oil mills is moderate and Soyabean oil imports increased today. The prices in domestic markets are influenced by foreign markets. With reduction in supplies expected in future and crushers expecting demand to increase and with increased import of Soyabean oil the prices of soyabean seeds may decline initially and may improve thereafter in coming days.

Rapeseed/Mustard:

According to trade sources in Sriganganagar NAFED offered mustard seed at Rs. 1540 per quintal. In Neewai market around 500 bags of mustard seed were traded. According to traders there is unconfirmed news that Rajasthan Government has given a relief of 3% on the earlier 4%tax required to be paid by the traders. The rebate will hold good till 15th March 2006. Also Rajasthan Government has directed NAFED to create space in order to accommodate 20 lakh tonnes of mustard seed expected to arrive from coming crop. Also NAFED has offered a tender for export of mustard seed held by it. The mustard seed offered by it is of 40 percent content on dry weight basis. However quantity offered by it is still undisclosed. The Market is still uncertain about prices and this uncertainty may prevail until any confirmed news is obtained.

Status of Price & Supply of the New Crop (Dec21, 05)

| Markets | Prices (Rs/Qtl) | Arrivals (Bags) |
|----------------------|-----------------|-----------------|
| Jaipur (C) | 1725 | 20,000-25000 |
| Alwar(C) | 1670-75 | 600-700 |
| Delhi(C) | 1745 | 1000 |
| Agra(C) katchi ghani | 1820 | 3900 |
| Sri Ganganagar (NC) | 1475 | - |
| Kota (NC) | 1505-1520 | 1200 |

Vayda Quotes

Mustard futures as on 21st December 2005

| Cent re | Mo nth s | Prev. Settle | Open | High | Low | Cha nge | Close |
|---------|----------|--------------|-------|-------|-------|---------|-------|
| Delhi | Feb | 326.7 | 325.5 | 328.1 | 325.4 | 0.4 | 327.1 |
| Hapu r | Feb | 338.5 | 337.9 | 339.4 | 337.4 | -0.9 | 337.6 |
| Hisar | Jan | 326.1 | 325.5 | 326.5 | 325.2 | -0.4 | 325.7 |

Groundnut

Rajkot Groundnut seed today traded same at Rs. 341 per 20 Kg. The demand for groundnut seed is moderate from crusher's side. Export demand for groundnut seed (good quality) from Europe is high and the domestic demand for

Sing dana for direct consumption improved today. The demand from farmers required for sowing purpose is high. Therefore the prices for groundnut seed may improve in coming days.

Spot Rates of Groundnuts in Mumbai

| Groundnut | (Rates in Rs. Per 100 Kgs) | |
|--------------|----------------------------|----------|
| | 20.12.05 | 21.12.05 |
| Gr Kernel | 2210* | 2220* |
| Bolds 60/70 | 2690* | 2690* |
| *Javas 60/70 | 2865* | 2865* |
| Javas 70/80 | 2815* | 2815* |
| Javas 80/90 | 2700* | 2700* |

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

CBOT

CBOT Soy Futures Settle Slightly Lower

Soy futures settled lower at Chicago Board of Trade on Tuesday. March Soybeans future settled lower 4 cents at \$ 6.165 per bushel, 11 cents off the high and 1 cents up from the low and May soybeans future settled lower 2.25 cents at \$6.26 per bushel, it was 1.5 cents up from the low and 9 cents off the high. March Soymeal settled lower \$ 0.6 at \$198.6/metric tonnes, \$ 0.6 up from the low and \$3.4 off the high. March soybean oil settled lower 0.37 cents at 21.54 cents/pounds, 0.66 cents off the high and 0.09 cent up from the low. There were talk of bulk world stock of soybean and oil was helped to bring down market sentiments. According to analysts, world soybean production pegged for 2005-06 season at 220.98 million tonnes which is up 700000 tonnes from their previous forecast and up from 214.57 million tonnes last ten years. There was no fresh pushy news for boost up the market sentiments.

CBOT Soybean Futures as on 20.12.05

| Mo nth s | Previous Settle | Open | High | Low | Ch ang e | Close |
|----------|-----------------|-------|-------|-------|----------|-------|
| Jan 05 | 608.4 | 608.0 | 615.0 | 604.2 | -3.2 | 605.2 |
| Mar 05 | 620.4 | 619.0 | 626.0 | 615.4 | -4 | 616.4 |

CBOT remains close on Saturday & Sunday

South American Soybeans Futures Settle Higher

South American soybean future settled higher on Tuesday. March South American soybean settled higher 14.5 cents higher at \$ 6.47 per bushel. There is good crop condition in South America. Forecasting for rain in next week would be helping factors in few dry regions in Southern Brazil. Timely rain for next week in Southern Brazil and Argentina will be more helpful in improving crop conditions. There is talk that South America is competitive with US markets. Market sentiments could change any time, it's depend on news flow about bird flu in China. China is a most potential buyer of South American soybeans. Dry weather in South America attracted to new fund buyers. Fund buying is increased for South American markets. Cumulative export inspections released on Tuesday, report revealed that the 35.1% of the USDA projection for the entire season as

compared with 43.4% as the 5 year average for this time of the year.

Forex Rates

| Country/ Continent | Currency | Value in Rupees |
|--------------------|----------|-----------------|
| USA | Dollar | 45.31 |
| Malaysia | Ringgit | 11.98 |
| European Union | Euro | 53.84 |
| United Kingdom | GBP | 79.56 |
| Japan | 100 Yen | 38.68 |

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