

OILSEED

27th February, 2006

Soybean Likely to Improve and Mustard Indecisive

TECHNICAL ANALYSIS

Commodity: SOYBEAN

Indicators

1. Candlestick showing bearish market sentiments
2. Prices closed below the 9-day and 18-day EMA showing bearish sentiments.
3. %K line made bullish cross over with % D line showing possible trend change.
4. MACD is moving in negative zone showing bearish sentiments.

Market advice:

Market at this juncture is risky, better to stay away. Risk lovers can go for long above 1215.77, target near 1219.0 and stop loss at 1213.50

NCDEX MARCH SOYBEAN CONTRACT



Soybean Future Closing price

Contract	24.02.06	23.02.06	Chg
March	1218.90	1215.00	-3.90

Expected Support and Resistance Levels

Contract	Supports	Resistances
March	1211.00	1225.00
	1205.00	1232.00

Commodity: RAPESEED

Indicators

1. Candlestick showing bullish indecisive market sentiments.
2. Prices closed above 9-day and 18-day EMA showing bullish market sentiments.
3. %K line made bullish cross over with % D line and moving upward showing bullish sentiments.
4. MACD moving below its signal line with narrow gap.

Market advice:

Market is risky, better to stay away. Possibility of trend reversal. Risk lovers can go for long.

NCDEX MAY MUSTARD CONTRACT



Mustard Future Closing price

Contract	24.02.06	23.02.06	Chg
May	340.30	340.70	+0.40

Expected Support and Resistance Levels

Contract	Supports	Resistances
May	338.80	342.60
	337.60	344.10

DOMESTIC MARKET COMMENTARY

Soybean:

NCDEX March contract witnessed week opening at 1218.95, fall immediately then after for next 15 minutes. Prices then rose high and reached to highest value 1219.9 at 10.30 am. Prices then begin to fall then after with steep decline and reached to its lowest value 1213.0 at 1.00 pm. Prices then oscillate due to strong bull and bear fight and finally settled at 340.70. Overall market sentiment remained bearish. Prices at physical market decreased slight owing to recent outbreak of bird flu in India. Mandi rate at Indore was Rs.1140-1160/Qtl. Plant delivery also observed slight decline at Rs. 1190-1200 per qtl. In Madhya Pradesh, Maharashtra, Rajasthan markets arrivals were 50,000-60,000, 20,000-22,000 and 8000-10,000 bags respectively. Recent outbreak results decline in prices both in spot as well as futures market. Low demand from poultry industry results into low demand of DOC and soybean. Recent identification of H5N1 in Gujrat could be the reason for downfall in future market. Prices is expected to remain weak for another 1-3 days and trend is expected to remain bullish for medium term but may influenced by international trading reports. The long term trend expected to remain bullish owing to reduce arrivals and fast depleting stocks. Lahiri Committee report had bearish impact on oilseeds.

Rapeseed/Mustard:

NCDEX May contract opened weak at 340.20, which remain the lowest value of the day and gain strength then after ascend up to 11.00 am. Prices then taken a dip followed by solid gain and reached to its highest value 341.45. Prices then oscillate between Rs. 340-341 for some time and settled at 1215.0. Overall market sentiments remain bullish today. New mustard seed prices at physical market were remain range bound and steady. The prices of Jaipur, Alwar, Delhi and Agra are quoted at Rs 1650-1655, 1600, 1680 and 1600 per quintal respectively. Arrival of mustard seed is reported to be 7000-8000, 6000, 200-300 bags in Jaipur Alwar and Delhi. Arrivals from Agra were quoted at 3850-75/(Q). Kota witnessed decline at spot market price at 1440-1465. Arrival from Kota is reported to be 15000 bags. Total arrival of Rajasthan is reported to be 125000 bags. Arrival increases with pace and new mustard seed started to flush in rajasthan market. Announcement for procurement of mustard in 1st week of March results into hike in futures market. Long term futures is expected to remain bearish on account of huge arrival pressure of mustard seeds.

Status of Price & Supply of the New Crop 25.02.06

Markets	Prices Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1650-1655	7000-8000
Alwar(C)	1600	6000
Delhi(C)	1680	200-300
Agra(C) Katchi Ghani	1600	3850-75/(Q)

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Sri Ganganagar (NC)	1450	50
Kota (NC)	1440-1465	15000

Vayda Quotes

Mustard futures as on 25.02.06

Spot	M	PCP	O	H	Low	Ch	C
Delhi	MA	339.8	340.2	341.1	340.1	+1.1	340.9
Hapur	MA	348.6	348.8	350.1	348.8	+1.1	350.0
Hisar	MY	332.8	333.1	333.6	333.1	+0.8	333.6

M: Month; MA: MARCH; MY: May

Groundnut

Price for groundnut remains range bound and steady due to equality in demand and supply. Arrival of groundnut in the Gujarat market remained 45,000-50,000 bags. Groundnut seed in Rajkot Mandi traded at Rs 332 per 20 kg and groundnut oil at Rs 435 per 10 kg. Demand for groundnut seed remained same as that of previous day. Prices of groundnut oil remain unchanged. Falling prices in futures market for other oils had bearish impact on its prices. The groundnut seed rate is expected to increase in long term due to depleting present stock.

Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kg)	
	25.02.06	24.02.06
Gr Kernel	2165*	2165*
Bolds 60/70	2675*	2675*
Javas 60/70	3000*	3000*
Javas 70/80	2890*	2890*
Javas 80/90	2775*	2775*

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

CBOT

CBOT Soy Futures Pushed Up

March Soybeans settled up 5.50 cents at \$ 5.7725/ bushel, 2.50 cents off the high and 5.25 cents up from the low. May Soybeans settled up 5.50 cents at \$5.9025/bushel which was 5.25 cents up from the low and 2.50 cents off the high. March Soybean meal settled up \$0.7 at \$175.5/tonne that was \$0.5 up from the low and \$1.0 off the high. March Soybean Oil finished up 0.2 cents at 22.96 cents/pound, 0.16 cents off the high and 0.11 cents up from the low. Report of an explosion in Saudi Arabia helped to boost the market up for other markets like gold, crude oil and palm oil which helped to support the soybean market. Weekly US export sales for soybeans remain at 503,600 metric tonnes as compared

to trade expectations between 400,000-600,000 well within the range. Cumulative sales for soubean reached just 77.7% of the USDA forecast. Meal sales remain at 77,300 metric tonnes as compared to trade expectations between 75,000-125,000. Cumulative sales for meal reached 63.7% of as compared to 64.5% on average over the last five years. Oil sales remain in the range at 4,300 metric tonnes as compared 1,000-6,000.

CBOT Soybean Futures as on 24.02.06

Month	PCP	O	H	L	Ch	Close
Mar 06	571.6	578.0	579.6	572.0	+5.6	577.2
May 06	584.6	592.0	592.6	585.0	+5.6	590.2

South American Soybean Futures Slip Down

March South American soybeans settled 2 cents lower on Friday to \$6.2050/bushel as compared to previous closing at \$6.50 on Friday. Active harvesting started in Brazil and short term demand of soymeal in international market being the reason to pull down the South American soubean futures. Argentina rains helped to reduce the stress and more area is expected to receive rain in coming days. Brazil weather is also fovourable for the crops and therefore high yield is expected. Soybean prices in Brazil reais are down about 4% in last week in Mato Grosso, and Brazil harvest is about 10% complete. The crop is expected at 56-57 million tonnes from 51.1 million tonnes last year, record high production. Low closing of US soybean also had a bearish impact on South American Soybean futures. Sellers dominated the session with funds were noted sellers of nearly 1,000 soybean contracts and 1,000 meal. Bird flu concerns still persist, but it is expected that flu can be eradicated in Europe, as Vietnam has had no outbreaks of bird flu in poultry or humans since November and Thailand has gone 106 days without any fresh reports.

LATEST WEATHER WATCH: 25.02.2006

Forecast valid for next 72 hours

A western disturbance is approaching the northern part of the country and is likely to cause scattered rain/snow over west Himalayan region and isolated to scattered rain/thundershowers over Punjab and northern Haryana during next 2-3 days. Day temperatures 5-8° C remain

above normal over most parts of northwest, Gangetic Plains, central India, eastern parts of the country and 4-5 °C over Maharashtra , Gujarat and Chhattisgarh where as night temperatures were above normal by 3-5° C over these area.

NORTH-WEST INDIA: Rain/snow likely at a few places over Jammu & Kashmir and Himachal Pradesh and isolated over Uttaranchal. Isolated rain/thundershowers over Punjab and north Haryana during next 2-3 days . Day and night temperatures are likely to remain above normal by 4-6° C. Mainly Dry weather over the rest region.

EAST INDIA: Isolated rain/thundershowers likely over Sub- Himalayan West Bengal & Sikkim. Weather will be mainly dry over the rest region. Day & night temperatures are likely to remain 3-5°C above normal.

NORTHEAST INDIA: Rain/thundershowers are likely at a few places over Assam & Meghalaya and Arunachal Pradesh. Mainly dry weather over the rest region.

SOUTH INDIA: Isolated rain/thundershowers likely over Nicobar Islands. Weather will be mainly dry over the rest region. Day temperatures likely to remain 2-3° C above normal. Night temperatures are likely to remain 2-3° C below normal.

WEST INDIA: Weather will be mainly dry over the region. Day and Night temperatures likely to remain markedly above normal over many parts of the region.

CENTRAL INDIA: Weather will be mainly dry over the region. Day temperatures are likely to remain 5-7° C above normal over Madhya Pradesh & Chhattisgarh.

Source: MDI, GOI

Forex Rate on 25.02.06

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.44
European Union	Euro	52.79
United Kingdom	GBP	77.59
Japan	100 Yen	38.02

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