

OILSEED

1st March, 2006

Indecisive Market both for Mustard and Soybean

TECHNICAL ANALYSIS

Commodity: SOYBEAN

Indicators

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

Market advice:

Sell below 1217.50, target near 1213.90 and stop loss at 1220.00.

NCDEX MARCH SOYBEAN CONTRACT



Soybean Future Closing price

Contract	27.02.06	28.02.06	Chg
March	1214.00	1217.40	+2.60

Expected Support and Resistance Levels

Contract	Supports	Resistances
March	1209.30	1231.20
	1201.50	1236.30

Commodity: RAPESEED

Indicators

1. Candlestick showing indecisive market sentiments.
2. Prices closed above 9-day and 18-day EMA showing bullish market sentiments.
3. %K line is moving in overbought region. Technical correction is likely at this stage.
4. MACD made bullish cross over.

Market advice:

Market is risky, better to stay away. Risk lover can go short below 343.50, target near 342.00 and stop loss at 344.50

NCDEX MAY MUSTARD CONTRACT



Mustard Future Closing price

Contract	27.02.06	28.02.06	Chg
May	343.00	343.50	+0.50

Expected Support and Resistance Levels

Contract	Supports	Resistances
May	340.33	345.00
	338.55	342.00

DOMESTIC MARKET COMMENTARY

Soybean:

NCDEX March contract witnessed week opening at 1214.05 and witnessed fall then after and reached to today's low 1212.0 at 10.30 am. Prices then remain steady for some time and fluctuated in between Rs. 1213.0-1217.54 up to 12.30 pm then prices decline up to 1.30 pm. Prices then taken a giant leap to fetch the highest value 1225.0 at 2.15 pm. Prices remain high for next 15 minutes and fall steeply up to 3.0 pm. Prices then remained range bound and steady thereafter and finally settled at 1217.4. Overall market sentiment remained bullish. Prices at physical market remain steady and rangebound with slight improvement. Plant delivery rate were quoted Rs. 1200-1220 per qtl. In Madhya Pradesh, Maharashtra and Rajasthan markets arrivals were 40,000-50000, 20000-22000 and 8000-10,000 bags respectively. Low demand of soy products from poultry industry results into low demand of DOC and soybean. 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 firm at 343.00, which taken a dip then after and remain in lower levels for 15 minutes. Steady decline was observed with slight up and down till 11.15 am. Prices then oscillate between Rs. 342.00-343.00 up to 12.00. prices then taken a dip at 12.15 pm, reached to the day's low at Rs. 341.6 and then retreat to its higher level. Prices fall again up to 1.0 pm and the witnessed a steep rise and reached today's high 344.50 at 12.15 pm. Prices then fall for an hour than after improved and settled finally at 343.50. Overall market sentiments remain bullish today. New mustard seed prices at physical market were remain range bound and improved slightly. The prices of Jaipur, Alwar, Delhi and Agra are quoted at Rs 1670-1675, 1600, 1685 and 1700 per quintal respectively. Arrival of mustard seed is reported to be 8000-10000, 10000 and 700-800 bags in Jaipur, Alwar and Delhi. Arrivals from Agra were quoted at 3850/(Q). Kota market witnessed arrivals of 20000 bags and quoted at Rs. 1440-1460. Total arrival of Rajasthan is reported to be 150000 bags. Arrival increases with pace and new mustard seed started to flush in Rajasthan market. Announcement for procurement of mustard by NAFED 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. Procurement of mustard by NAFED at the support price of Rs 1715 per quintal would begin in Madhya Pradesh on March 1, according to governmental sources. There is strong chances that the NAFED may go for advance procurement by one month.

Status of Price & Supply of the New Crop 28.02.06

Markets	Prices Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1670-1675	8000-10000
Alwar(C)	1600	10000
Delhi(C)	1685	700-800

Agra(C) Katchi Ghani	1700	3850/(Q)
Sri Ganganagar (NC)	1450	-
Kota (NC)	1440-1460	20000

Vayda Quotes

Mustard futures as on 28.02.06

Spot	M	PCP	O	H	Low	Ch	C
Delhi	MY	343.0	343.2	344.1	342.5	0	343.0
Hapur	MY	352.0	352.0	353.8	350.7	-0.3	351.7
Hisar	MY	335.1	334.8	336.0	334.7	+0.1	335.2

M: Month; 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 seed and oil increased by Rs. 2.0 and Rs. 3.0 respectively. 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)	
	28.01.06	27.02.06
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 Maintain Rally

March Soybeans settled up 2.25 cents at \$5.795/bushel, 0.50 cents off the high and 11.50 cents up from the low. May Soybeans settled up 2.75 cents at \$5.93/bushel which was 12 cents up from the low and 1 cent off the high. March Soybean meal settled up \$1.0 at \$176.5/ton that was \$3.3 up from the low and \$0.2 off the high. March Soybean Oil settled up 0.03 cents at 22.99 cents/pound, 0.01 cents off the high and 0.44 cents up from the low. Initially the market went down due to bird flu concerns but later on the market got strength owing to strength in other grains. Weekly export inspections by USDA came in at 20.02 million bushels, which remain well within the range as compared with trade expectations at 22-30 million bushels. Cumulative shipments have reached 65.4% of the USDA forecast as compared to 71.8%. Traders are looking for soybean deliveries near 2,000-3,000 contracts, oil deliveries near 1,000-2,000 contracts and meal at 0 to 400 contracts.

CBOT Soybean Futures as on 27.02.06

Month	PCP	O	H	L	Ch	Close
Mar 06	577.2	571.4	580.0	568.0	+2.2	579.4
May 06	590.2	583.4	593.6	581.0	+2.8	593.0

South American Soybean Futures remain Stale

South American soybean futures settled low on Monday. May South American soybeans settled 5 cents higher to \$6.145/bushel. With active harvesting progress coupled with concerns on the international market that bird flu factor could reduce short term demand for meal results into decline of prices into the market. The weather looks very favourable for the crop in Argentina and Brazil due to recent rains which stabilize any production loss. After rapid spread of bird flu in 15 countries there is sharp decline of international soy meal demand from feed industry. Talk of banning poultry import by Japan from France had bearish impact on the market. China imported 8.8% less of soybeans this January at 1.69 million tonnes as compared to last year. Funds of noted buyers were 2,000 contracts of soybeans and 1,000 or less of meal and oil.

LATEST WEATHER WATCH: 28.02.2006

Forecast valid for next 72 hours

The day & night temperatures over northwest & central India and Uttar Pradesh have fallen by 2-3°C. The night temperatures over these areas are likely to fall further by 2-3 °C during next 2 days and may be around near normal.

Thunderstorm activity is likely over isolated pockets of central & Peninsula India during next 3-4 days leading to some respite from the prevailing warm conditions over central India.

NORTH-WEST INDIA: Mainly Dry weather is likely over the region. Night temperatures over the regions are likely to fall further by 2-3 °C.

EAST INDIA: Weather will be mainly dry over the region. Day & night temperatures are likely to fall by 2-3°C.

NORTHEAST INDIA: Rain/thundershowers are likely at a few places over Assam and Arunachal Pradesh. Mainly dry weather over the rest region. Slight fall in night temperatures is expected in this region also.

SOUTH INDIA: Isolated rain/thundershowers likely over Nicobar Islands, Kerala, Telangana & Interior Karnataka. Weather will be mainly dry over the rest region, However, isolated rain/thundershowers are also likely over Tamil Nadu and Coastal Andhra Pradesh from 1st to 3rd March.

WEST INDIA: Isolated rain/thundershowers likely over Marathwada and south Madhya Maharashtra. Weather will be mainly dry over the region. Day & night temperatures over Gujarat and Maharashtra are likely to fall by 2-3 °C.

CENTRAL INDIA: Weather will be mainly dry over the region. However, isolated rain/thundershowers likely over Vidarbha and south Chhattisgarh between 1st & 3rd March leading to a fall of 2-3 °C in temperatures over the region.

Source: MDI, GOI

Forex Rate on 28.02.06

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.44
European Union	Euro	52.70
United Kingdom	GBP	77.30
Japan	100 Yen	38.24

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.