

OILSEED

4th February, 2006

Soybean likely to improve

TECHNICAL ANALYSIS

Commodity: SOYBEAN

Indicators-

1. Candlestick showing bearish market sentiments.
2. Prices closed below the 9-day and 18-day EMA showing bearish market sentiments.
3. %K line taken a steep turn to cross %D line showing possible bullish over.
4. MACD is separating again indicating the trend likely to continue.

Market advice:

Buy above 1210.70, target near 1215.70 and stop loss at 1208.80.

NCDEX FEBRUARY CONTRACT



Soybean Future Closing price

Contract	2.02.06	3.02.06	Chg
February	1209.50	1211.60	+2.1

Expected Support and Resistance Levels

Contract	Supports	Resistances
February	1203.00	1221.00
	1195.00	1230.00

Commodity: RAPESEED

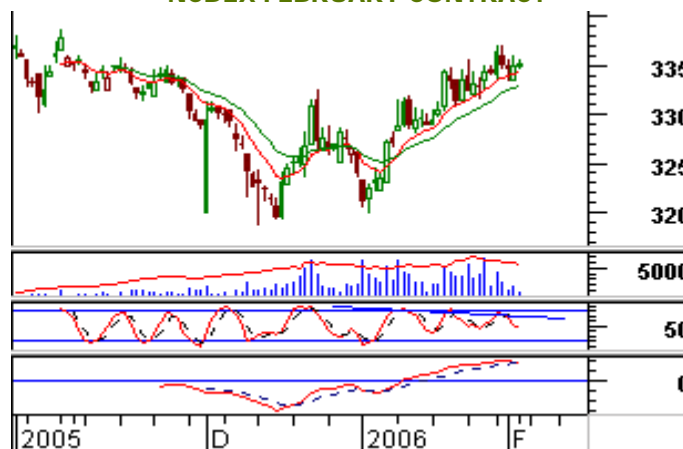
Indicators-

1. Candlestick showing indecisive market sentiments.
2. Prices closed above the 9-day and the 18-day EMA showing bullish market sentiments.
3. %K line is moving downward along with %D line showing bearish market sentiments.
4. MACD is moving upwards with wide gap indicating indecisiveness.

Market advice:

Sell near 335.50, target at 334.20 and stop loss at 336.3.

NCDEX FEBRUARY CONTRACT



Mustard Future Closing price

Contract	2.02.06	3.02.06	Chg
February	335.00	335.15	+0.15

Expected Support and Resistance Levels

Contract	Supports	Resistances
February	334.00	336.20
	332.90	336.70

DOMESTIC MARKET COMMENTARY

Soybean:

NCDEX future market opened firm at 1212 and remained steady with slight fluctuation upto 11.30 am. It then started to decline and reached to its lowest value 1210.55 at 12.00 pm. Market then tried to regain its strength but finally settled at 1211.60. Overall market sentiment remained indicesive with bearish tone. Mandi rate at Indore was Rs.1150-1160/Qtl. Plant delivery of soybean quoted at Rs. 1200-1205 per qtl. In Madhya Pradesh, Maharashtra, Rajasthan markets arrivals were 75000-80000, 30,000-35,000 and 10,000-15000 bags respectively. Increased arrival in MP is due to release of stock from stokist so that they can store fresh arrival of new crops. Hike in the prices of soybean in international market could be the driving force for improvement in prices. There are chances that prices might sprut for very short time due to gap between decrease in arrivals of soybean and optimum arrivals of mustard seed in the market.

Rapeseed/Mustard:

NCDEX future market opened weak at 333.50 lower than previous closing price. The overall market sentiments remained bullish today. Mustard seed prices at physical market were range bound and steady. Mustard seed prices were quoted in Jaipur, Alwar and Sri Ganganagar at Rs 1695-1700, 1660-1665 and 1440-1445 per quintal respectively. Arrival of mustard seed is 10,000, 1000 and 200 bags in Jaipur, Alwar and Delhi respectively. Arrivals from Agra were quoted at 3850/(Q). Arrivals of new mustard seed started to flush in Rajasthan market. Hefty previous stock coupled with fresh arrivals of mustard seed in the market leads to steady prices.

Status of Price & Supply of the New Crop 3.02.06

Markets	Prices Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1695-1700	10,000
Alwar(C)	1660-1665	1000
Delhi(C)	1740-1745	200
Agra(C) Katchi Ghani	1770-1780	3850/(Q)
Sri Ganganagar (NC)	1425-1450	-
Kota (NC)	1475-1520	700

Vayda Quotes

Mustard futures as on 3.02.06

Cent re	M	PCP	O	H	Low	Ch	Clos e
Delhi	F	334.4	334.6	335.7	334.6	+0.8	335.2
Hapur	F	339.45	339.5	342.2	339.5	+2.05	341.5
Hisar	My	330.8	331.3	332.3	331.1	+0.7	336.3

M: Month; F: Feb; MY: May

Groundnut

Price for groundnut remained range bound and steady due to equality in demand and supply. Arrival of groundnut in the Gujarat market is 45,000-50,000 bags. Groundnut seed in Rajkot Mandi traded at Rs 331 per 20 kg and groundnut oil at Rs 438 per 10 kg. Harvesting of groundnut in Gujarat is over and whatever reached to the market is the stored stock of farmers. Other oil prices are much below the prices of groundnut and unless the prices could increase in these oils there is meager chances for the improvement in groundnut prices. Therefore prices remain range bound and expected to improve in coming days.

Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kgs)	
	3.01.06	2.01.06
Gr Kernel	2150*	2155*
Bolds 60/70	2640*	2640*
Javas 60/70	2925*	2950*
Javas 70/80	2850*	2870*
Javas 80/90	2770*	2760*

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

CBOT

CBOT Soy Futures Settle High

March Soybeans settled up 4.50 cents at \$5.84/bushel, 1 cent off the high and 6.50 cent up from the low. May Soybeans settled up 4.50 cents at \$5.9675. This was 6.75 cents up from the low and 0.25 cents off the high. March Soymeal settled up \$0.7 at \$181.9/ton. This was \$1.9 up from the low and \$0.6 off the high. March Soybean Oil settled up 0.13 cents at 21.95 cents/pound, 0.03 cents off the high and 0.24 cents up from the low. Weather forecast of dry weather, next week in Argentina helped to support the prices up again. Fund buying supports in other grain markets from traders and hot and dry weather forecast for next week are the probable reason to support the market. Weekly US export sales reported to be 446600 MT compared to the expectation of 400000-600000 MT. Cumulative sales have reached only 68.40% as compared to 82.30% as per USDA forecast. Meals came as per trade expectations at 198200 MT that is within the range of 75000-150000 MT. Cumulative sales reached to 57.6%, near to the expectation of 60.08%. Report shows that 20800 MT oil was exported well above the trade expectations of 0-10000 MT. India, the world's largest edible oil importer, import about 850000 tonnes for Jan-March which is 21% less than the previous year.

CBOT Soybean Futures as on 2.02.06

Month	PCP	Open	High	Low	Ch	Close
Mar 06	579.4	581	584.6	577.5	+4.6	584
May 06	592.2	593	597	590	+4.4	596.6

South American soybean Futures Settle High

South American soybeans future settled low on Thursday. March South American soybeans settled 14 cents lower on Thursday to \$6.10/bushel than previous closing price. The market is influenced by South American weather and crop condition news indicate less chances of crop damage which can be viewed as significant surplus on the world market. With the approaching harvest, the producers will be keen to sell their produce to take the advantage of export premium which is high this time but likely to diminish at the time of crop arrivals. Improving crop conditions for the new crop have a selling pressure on sales of old crop. Good rains in the dry areas of Argentina may improve and recover the crop at normal yield with bounty stock.

Forecast valid for next 72 hours

NORTH: Weather will be mainly dry over the region.

EAST: Isolated rain/thundershowers likely over North Eastern States and Sub- Himalayan West Bengal & Sikkim. Weather will be mainly dry over the rest region.

SOUTH: Isolated rain/thundershowers are likely over Tamil Nadu and Kerala. Weather will be mainly dry in the rest region.

WEST: Weather will be mainly dry over the region.

Source: IMD, GOI

Forex Rate on 3.02.06

Country/Continent	Currency	Value in Rupees
USA	Dollar	44.23
Malaysia	Ringgits	11.80
European Union	Euro	53.48
United Kingdom	GBP	78.69
Japan	100 Yen	37.34

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