

OILSEED

21st February, 2006

Soybean Decline on Account of Bird Flu

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 made bearish cross over with % D line showing bearish market sentiments.
4. MACD made bearish cross over

Market advice:

Buy above 1218.0, target near 1223.00 and stop loss at 1213.5

NCDEX MARCH SOYBEAN CONTRACT



Soybean Future Closing price

Contract	18.02.06	20.02.06	Chg
March	1246.0	1218.0	-28.0

Expected Support and Resistance Levels

Contract	Supports	Resistances
March	1215.0	1247.0
	1208.0	1256.0

Commodity: RAPESEED

Indicators

1. Candlestick showing bullish market sentiments.
2. Prices closed above the 9-day and the 18-day EMA showing bullish market sentiments.
3. %K line very near to % D line and moving apart without making any cross over showing bullish sentiments.
4. MACD moving below its signal line with approaching towards its signal line.

Market advice:

Market at this juncture is risky, better to avoid taking position. Risk lovers can go for short below 339.33.

NCDEX MAY MUSTARD CONTRACT



Mustard Future Closing price

Contract	18.02.06	20.02.06	Chg
May	338.70	340.20	+1.50

Expected Support and Resistance Levels

Contract	Supports	Resistances
May	337.10	331.30
	336.00	343.10

DOMESTIC MARKET COMMENTARY

Soybean:

NCDEX March contract opened weak at 1241.0 that remain the highest value of the day and observed very steep fall for 15 minutes. Next fifteen minutes witnessed some gain with bullish sentiments but reached to its lowest value of the day 1208.00 for this contract. The prices then stumble to improve up to 11.00 pm and remain steady up to 12.15 pm. Again prices taken a small dip and remain rangebound and steady then after. The prices finally settled at 1218.0. Overall market sentiment remained bearish today. Prices at physical market decreased slight owing to recent outbreak of bird flu in India. Mandi rate at Indore was Rs.1130-1160/Qtl. Plant delivery also observed slight decline at Rs. 1195.0-1200 per qtl. In Madhya Pradesh, Maharashtra, Rajasthan markets arrivals were 60,000-70,000, 30,000-35,000 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. Prices is expected to remain weak for another 3-4 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.

Rapeseed/Mustard:

NCDEX May contract opened at previous closing price 338.70 and remain indecisive for 15 minutes. Next 15 minute reveals steep decline of prices and reached to lowest value 337.35 at 10.30 am. It then improve with a pace and fetch to its highest point 341.30 at 12.00 pm. It then decline up to 1.00 pm and oscillate up and down between 339.55-340.50 up to 3.45 pm. Prices finally settled at 340.20. Overall market sentiments remain bullish today. Mustard seed prices at physical market were mostly range bound and decreased on advent of harvesting pressure. The prices of Jaipur, Alwar, Delhi and Agra are quoted at Rs 1700-1705, 1620-1625, 1730-1735 and 1800-1840 per quintal respectively. Prices in Kota ranged between 1450-1500. Arrival of mustard seed is reported to be 3000-4000, 5000-6000, 200 bags in Jaipur Alwar and Delhi. Arrivals from Agra were quoted at 3900/(Q), same as that of previous day. Arrival from Kota is reported to be 11000 bags. Total arrival of Rajasthan is reported to be 100000 bags. Arrival increases with pace and started to flush in rajasthan market. Hike in tariff rate on imported oils results into steep upward movement of prices in Vayda market. It is expected that the prices will remain on the higher side for 2-3 more days until the picture get cleared for another possible hike. Long term futures is expected to remain bearish on account of arrival pressure of mustard seeds.

Status of Price & Supply of the New Crop 20.02.06

Markets	Prices Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1700-1705	3000-4000

Alwar(C)	1620-1625	5000-6000
Delhi(C)	1730-1735	200
Agra(C) Katchi Ghani	1800-1840	3900/(Q)
Sri Ganganagar (NC)	1480	100
Kota (NC)	1450-1500	11000

Vayda Quotes

Mustard futures as on 20.02.06

Spot	M	PCP	O	H	Low	Ch	C
Delhi	MA	339.5	339.2	340.9	338.8	+0.6	340.1
Hapur	MA	348.5	348.1	350.4	348.0	+0.8	349.3
Hisar	MY	333.1	332.8	334.2	332.8	+0.6	333.7

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 335 per 20 kg and groundnut oil at Rs 438 per 10 kg. Demand for groundnut seed remained same as that of previous day. Prices of groundnut oil decreased by Rs. 2 as compared to previous day price on account of lower demand and bearish impact of future market on physical market. The groundnut seed rate is expected to increase in future due to depleting present stock and growing demand.

Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kg)	
	20.02.06	18.02.06
Gr Kernel	2190*	2185*
Bolds 60/70	2695*	2695*
Javas 60/70	3040*	3025*
Javas 70/80	2940*	2925*
Javas 80/90	2820*	2800*

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

CBOT

CBOT remain close on Saturday nad Sunday.

CBOT Soybean Futures as on 17.02.06

Month	PCP	O	H	L	Ch	Close
Mar 06	591.4	596.0	603.0	590.0	+9.8	601.2
May 06	604.2	609.0	617.0	602.4	+10.2	614.4

LATEST WEATHER WATCH: 20.02.2006

Forecast valid for next 72 hours

Mainly dry weather conditions are likely to prevail over the country for the next 2-3 days outside northeastern states and sub-Himalayan west Bengal & Sikkim where rain/thundershowers are likely at a few places. Both day & night temperatures were above normal by 4-7 °C over northwest India, Gangetic Plains and central India. These warm condition are likely to continue for next 4-5 days, through a slight fall in night temperature is expected over northwest India and Gangetic plains during next 2 days.

NORTH-WEST INDIA: Isolated rain/snow likely over higher reaches of Jammu & Kashmir. Mainly Dry weather over the rest region. Day temperatures are likely to remain 5-7°C above normal over the region.

EAST INDIA: Rain/thundershowers likely at a few places over Sub- Himalayan West Bengal & Sikkim and isolated over Gangetic West Bengal. Weather will be mainly dry over the rest region. Night temperatures over the region are likely to remain 4-6°C above normal.

NORTHEAST INDIA:

Rain/thundershowers are likely at a few places over Assam & Meghalaya and isolated over the rest region.

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

WEST INDIA: Weather will be mainly dry over the region. Day and Night temperatures over Rajasthan and Gujarat are likely to remain above normal by 4-7°C above normal.

CENTRAL INDIA: Weather will be mainly dry over the region. Day and night temperatures over Madhya Pradesh and Chhattisgarh are likely to remain significantly above normal.

Source: MDI, GOI

Forex Rate on 20.02.06

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.43
European Union	Euro	53.17
United Kingdom	GBP	77.49
Japan	100 Yen	37.58

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