

OILSEED

24th February, 2006

Soybean and Mustard Improved

TECHNICAL ANALYSIS

Commodity: SOYBEAN

Indicators

1. Candlestick showing bullish market sentiments
2. Prices closed below the 9-day and 18-day EMA showing bearish sentiments.
3. %K is moving down with % D line showing bearish market sentiments.
4. MACD is moving downward with wide gap showing bearish sentiments and reached below its zero line.

Market advice:

Buy above 1217.50, target near 1221.30 and stop loss at 1215.20

NCDEX MARCH SOYBEAN CONTRACT



Soybean Future Closing price

Contract	22.02.06	21.02.06	Chg
March	1212.45	1217.50	+5.05

Expected Support and Resistance Levels

Contract	Supports	Resistances
March	1200.00	1225.30
	1194.00	1232.50

Commodity: RAPESEED

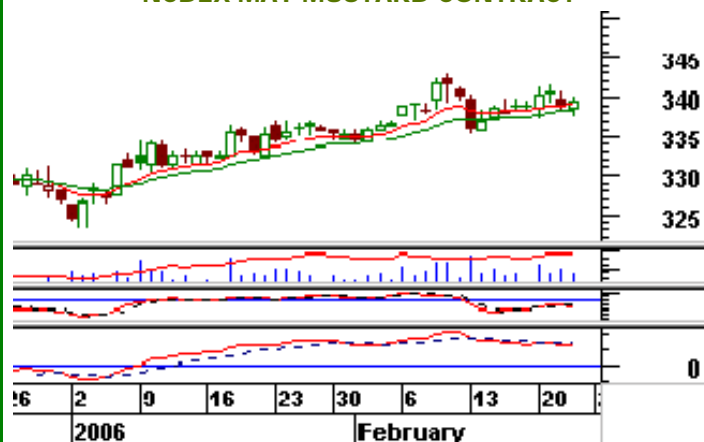
Indicators

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

Market advice:

Buy above 339.45, target near 340.50 and stop loss at 338.80.

NCDEX MAY MUSTARD CONTRACT



Mustard Future Closing price

Contract	22.02.06	21.02.06	Chg
May	339.0	339.45	+0.45

Expected Support and Resistance Levels

Contract	Supports	Resistances
May	337.60	341.20
	336.16	342.40

DOMESTIC MARKET COMMENTARY

Soybean:

NCDEX March contract witnessed weak opening at 1211.0 and improved slightly and fall thereafter. Market tried to regain its strength for a while and then witnessed sharp decline and reached to its lowest value 1204.3 at 11.45 am. Improvement in prices was noticed then after and prices reached to its highest value of the day 1215.0 at 12.45 pm. Prices then oscillate between 1213.6-1207.7 and finally settled at 1217.50. Overall market sentiment remained bullish. Prices at physical market decreased slight owing to recent outbreak of bird flu in India. Mandi rate at Indore was Rs.1120-1160/Qtl. Plant delivery also observed slight decline at Rs. 1190-1200 per qtl. In Madhya Pradesh, Maharashtra, Rajasthan markets arrivals were 60,000-70,000, 25,000-30,000 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 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 338.80 and decline for next 15 minutes. For next 15 minutes the contract tried to improve but due to sellin pressure it reached to the day's low 337.50 at 10.15 am. Then after the prices rally up and reached to its highest value 340.0 at 12.45 pm. The prices then oscillate between 339.00-340.00 for some time and finally settled at 339.45. Overall market sentiments remain bullish today. New mustard seed prices at physical market were remain range bound and steady with slight decline in few pockets. The prices of Jaipur, Alwar, Delhi and Agra are quoted at Rs 1655, 1550-1575, 1650 and 1625 per quintal respectively. Arrival of mustard seed is reported to be 5000, 10000, 1000 bags in Jaipur Alwar and Delhi. Arrivals from Agra were quoted at 3900/(Q). Kota witnessed decline at spot market at 1440-1470. Arrival from Kota is reported to be 6000 bags. Total arrival of Rajasthan is reported to be 80000-90000 bags. Arrival increases with pace and new mustard seed started to flush in rajasthan market. Sugession of Lahiri report and announcement from agriculture ministry creates confusion in the market for probable increase or decrease on import duty. Long term futures is expected to remain bearish on account of arrival pressure of mustard seeds.

Status of Price & Supply of the New Crop 23.02.06

Markets	Prices Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1655	5000
Alwar(C)	1550-1575	10000

Delhi(C)	1650	1000
Agra(C) Katchi Ghani	1625	3900/(Q)
Sri Ganganagar (NC)	1460-1465	100
Kota (NC)	1450-1470	6000

Mayda Quotes

Mustard futures as on 23.02.06

Spot	M	PCP	O	H	Low	Ch	C
Delhi	MA	339.0	338.5	340.0	338.2	+0.5	339.5
Hapur	MA	347.8	348.0	349.1	347.7	+0.9	348.7
Hisar	MY	333.0	332.6	333.0	332.2	-0.2	332.8

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 330per 20 kg and groundnut oil at Rs 433 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 long term due to depleting present stock.

Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kg)	
	23.02.06	22.02.06
Gr Kernel	2160*	2165*
Bolds 60/70	2695*	2695*
Javas 60/70	3025*	3025*
Javas 70/80	2925*	2925*
Javas 80/90	2800*	2800*

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

CBOT

CBOT Soy Futures Downtrend Continue

March Soybeans settled down 13.50 cents at \$5.74/bushel, 15.25 cents off the high and 1 cent up from the low. May Soybeans settled down 14.50 cents at \$5.8650/ bushel which was 1.50 cents up from the low and 15.75 cents off the high. March Soymeal settled down \$4.5 at \$175.7/ton that was \$0.4 up from the low and \$3.8 off the high. March Soybean Oil finished down 0.3 cents at 22.75 cents/pound, 0.32 cents off the high and 0.1 cents up from the low. Recent rain forecast of Argentina expected to produce bumper crop which pressurised the market. Bird flu hit the European, Indian

and other Middle East market as feed prices fell sharply owing to low demand from the poultry industry. South American soy meal pellets were offered very low at \$2.00-\$5.00 per tonnes as compared to previous day. Traders expectations for January crush in Census crush report to be 152.0 million bushels compared to 148 million bushels in December. Meal stocks are expected to be in the range of 310000-365000 tonnes. Oil stock expected to be between 2.475-2.520 billion pounds.

CBOT Soybean Futures as on 22.02.06

Month	PCP	O	H	L	Ch	Close
Mar 06	587.4	585.0	589.2	573.0	-13.4	574.0
May 06	601.0	598.0	602.2	585.0	-14.6	586.4

Bumper Crop Scenario Hits South American Soybean Futures

March South American soybeans settled 14 cents down on Wednesday to \$6.36/bushel. Moderate rains of 1-2 inches expected for Argentina in coming days that should ease stress concerns for the crop and expected to have good production. However, importance is given to upcoming harvest and the ability of the world market to absorb a record South America crop harvest and record ending stock forecast for the US. The spread of bird flu to at least 15 countries results into culling of birds in various location and wallop poultry market in affected areas owing to sharp decline of poultry feed demand. European meal values showed steep decline as buyers are reluctant to trade in future market. The migratory birds are expected to spread the virus. Traders are keen to know the lower meal demand from the Association of Chicken Producers and Exporters in Brazil, because they are planning to cut production by 15% this year due to falling worldwide consumption and prices. This makes the South American Soybean futures to slip on the lower side.

LATEST WEATHER WATCH: 22.02.2006

Forecast valid for next 72 hours

Largely dry weather conditions continued to prevail over most parts of the country outside Arunachal Pradesh, Assam & Meghalaya and Sikkim where light rain/thundershowers

have been experienced. This scenario is likely to continue for next 3-4 days except light to moderate rain/snow over western Himalayan region and isolated light rain/thundershowers over northeastern states. Day temperatures remained 6-8 °C above normal over northwest India, Gangetic Plains, central & east India. Night temperatures over these areas also remained 4-6 °C above normal. These warm conditions are likely to continue for the next 3 days.

NORTH-WEST INDIA: Isolated to scattered rain/snow likely over Jammu & Kashmir. It is likely to increase from 25th and extend into Himachal Pradesh. 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 4-6°C above normal.

NORTHEAST INDIA: Rain/thundershowers are likely at a few places over Assam & Meghalaya and Arunachal Pradesh during next 1-2 days. 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 & night temperatures likely to remain near 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 the region.

Source: MDI, GOI

Forex Rate on 23.02.06

Country/Continent	Currency	Value in Rupees
USA	Dollar	44.56
European Union	Euro	53.07
United Kingdom	GBP	77.76
Japan	100 Yen	37.92

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