

OILSEED

16th February, 2006

Mustard and Soybean moving upward on account of tariff hike

TECHNICAL ANALYSIS

Commodity: SOYBEAN

Indicators

1. Candlestick showing spinning top formation showing indecisiveness.
2. Prices closed below the 9-day and 18-day EMA showing bearish sentiments.
3. %K is moving downward beneath % D line showing bearish sentiments.
4. After crossing its signal line, MACD is moving downward and approaching its zero line showing long term bearish sentiments

Market advice:

Buy above 1224.25, target near 1228.33 and stop loss at 1221.80

NCDEX MARCH SOYBEAN CONTRACT



Soybean Future Closing price

Contract	14.02.06	15.02.06	Chg
March	1222.00	1224.00	+2.00

Expected Support and Resistance Levels

Contract	Supports	Resistances
March	1215.85	1234.54
	1209.39	1241.41

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 is moving steeply downward below % D line showing bearish sentiments.
4. MACD moving below its signal line after making bearish cross over showing long-term bearish sentiments.

Market advice:

Buy above 338.00, target near 341.00 and stop loss at 336.20

NCDEX MAY MUSTARD CONTRACT



Mustard Future Closing price

Contract	14.02.06	15.02.06	Chg
May	337.00	338.70	+1.70

Expected Support and Resistance Levels

Contract	Supports	Resistances
May	334.47	342.90
	332.70	345.09

DOMESTIC MARKET COMMENTARY

Soybean:

NCDEX March contract opened firm at 1222.50 which went up steadily with slight up and down movement and reached to its highest value 1227.0 at 12.45 pm and started to decline then after with steady pace and finally closed at 1224.0. The lowest value achieved 1221.55 at 10.45 pm. Overall market sentiment remained bullish today. Prices at physical market remained range bound and steady with slight bearish sentiments. Mandi rate at Indore was Rs.1125-1150/Qtl. Plant delivery of at remained same as that of previous day at Rs. 1195-1205 per qtl. In Madhya Pradesh, Maharashtra, Rajasthan markets arrivals were 60,000-70,000, 30,000-35,000 and 8000-10,000 bags respectively. Due to today's hike in tariff rate by the Govt, the market sore high due to active buying by the bulls. Prices is expected to remain firm for another 2-3 days and trend is expected to remain bullish for medium term but may influenced by international trding reports. The long term trend expected to remain bullish owing to reduce arrivals and fast depleting stocks.

Rapeseed/Mustard:

NCDEX May contract opened firm today at 337.50 than the previuos closing price which remain lowest price of the day. It then followed upward trend upto 11.00 am then decline up to 11.45 am. Prices then oscillate up and down due to strong bulls and bear fight and reached to its highest value 339.00 at 3.45 pm. It declined then after till 4.45 pm and tried to regain strength for some time and finally closed at 338.70. Overall market sentiments remain bullish today. Mustard seed prices at physical market were mostly range bound and increased slightly in few pockets. The prices of Jaipur, Alwar, Delhi and Agra are quoted at Rs 1700, 1620-1625, 1755-1760 and 1800-1825 per quintal respectively. Prices in Kota remain steady and ranged between 1450-1500. Arrival of mustard seed is reported to be 3000, 4000, 200-300 bags in Jaipur Alwar and Delhi. Arrivals from Agra were quoted at 3900/(Q), same at previous day. Arrival from Kota is reported to be 55,000-6000 bags. Total arrival of Rajasthan is reported to be 25,000-30,000 bags. Arrivals of new mustard seed started to flush in Rajasthan market. Hike in tariff rate on imported oils results into the 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 15.02.06

Markets	Prices Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1700	3000
Alwar(C)	1620-1625	4000
Delhi(C)	1755-1760	200-300

Agra(C) Katchi Ghani	1800-1825	3900/(Q)
Sri Ganganagar (NC)	1500	100
Kota (NC)	1450-1500	6000

Vayda Quotes

Mustard futures as on 15.02.06

Spot	M	PCP	O	H	Low	Ch	C
Delhi	MA	337.8	337.8	339.8	337.8	+1.2	339.0
Hapur	MA	347.5	348.1	348.9	347.8	+1.0	348.5
Hisar	MY	333.0	333.2	333.4	332.8	+0.1	333.1

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 336 per 20 kg and groundnut oil at Rs 437 per 10 kg. Demand for groundnut seed remained same as that of previous day. Prices of groundnut oil further declined by Rs. 3 on account of reduced demand combined with the reason of lower soy and cottonseed oil. The groundnut seed 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)	
	15.02.06	14.02.06
Gr Kernel	2190*	2180*
Bolds 60/70	2690*	2690*
Javas 60/70	3000*	2975*
Javas 70/80	2890*	2870*
Javas 80/90	2790*	2770*

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

CBOT

Hefty Oil Stock Lowers CBOT Soy Futures

Soy future settled low at Chicago Boards of Trades on Tuesday. March Soybeans settled down 1 cent at \$5.8325/bushel, 3.75 cents off the high and 2.25 cents up from the low. May Soybeans finished down 1.75 cents at \$5.96/bushel which was 2.50 cents up from the low and 3 cents off the high. March Soymeal settled down \$0.2 at \$182.5/ton that was \$0.7 up from the low and \$1.8 off the high. March Soybean Oil settled down 0.18 cents at 22.04 cents/pound, 0.16 cents off the high

and 0.1 cents up from the low. The market sore high initially on account of adverse weather condition with high open interest but later on it decline due to short term technical correction which results into bearish sentiments. NOPA crush report reveal January crush at 145.646 million bushels, slightly higher then the expectations of 140.4-145.0 million bushels. This high volume of crush results into higher oil stocks which could be the reason for adding bearish tone. Present soybean oil stocks is at 2.057 billion pounds which is higher than December oil stock at 1.829 billion pounds and much higher than end of January last year at 1.217 billion pounds. Hefty prevailing oil stocks pressurised the market with bearish sentiments.

CBOT Soybean Futures as on 14.02.06

Month	PCP	O	H	L	Ch	Close
Mar 06	585.2	585.0	587.0	581.2	-2.0	583.2
May 06	597.6	597.4	599.0	593.4	-1.6	596.0

South American Soybean Futures Remain High

South American soybean futures settled firm. March South American soybeans settled 9 cents higher to \$6.34/bushel on Monday, which remained highest value since January 6th. March contract of South American soybeans have improved due to weather concerns and firmness in old crop which registered possitive impact. Stress condition in Southern Brazil and South America is expected to continue for few days, perhaps affecting the crop yield. Weather concern coupled with high export report helped the market to maintain its firm position. In few pockets the crop is at its critical stage of pod filling and if stressed condition prevails for long then crop will suffer due to shrinkage in grains and high pod shedding. Slowdown of farmers selling, high export of South American soybean firm cash market conditions in Brazil, are other reason for strengthening the market. Tiwan is looking for 40,000-60,000 tonnes of Brazil or US soybeans which further boost the market up.

LATEST WEATHER WATCH: 15.02.2006

Forecast valid for next 72 hours

NORTH-WEST INDIA

Rain/snow likely at many places over higher reaches of Jammu & Kashmir and at a few places over rest Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Isolated rain/thundershowers also likely over Punjab and Haryana, Chandigarh & Delhi during next 24 hours. Weather will be mainly dry over the rest region.

EAST INDIA

Isolated rain/thundershowers is likely over Sub-Himalayan West Bengal & Sikkim.

NORTH EAST INDIA

Rain/thundershowers are likely over at a few places over Assam and Arunachal Pradesh and isolated over Nagaland, Manipur, Mizoram and Tripura. Weather will be mainly dry 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 interior Peninsula are likely to remain 2-4°C below normal.

WEST INDIA

Isolated rain/thundershowers may occurs over Rajasthan during next 24 hours. Weather will be mainly dry over the rest region. A fall of 2-3°C in Night temperatures is expected over Rajasthan.

CENTRAL INDIA

Weather will be mainly dry over the region with a fall of 2-3°C in Night temperatures over Madhya Pradesh.

Source: MDI, GOI

Forex Rate on 15.02.06

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.27
European Union	Euro	52.74
United Kingdom	GBP	76.82
Japan	100 Yen	37.63

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