

OILSEED

23rd February, 2006

Soybean decline and Mustard Remain Indecisive

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 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 1212.00, target near 1217.00 and stop loss at 1209.00

NCDEX MARCH SOYBEAN CONTRACT



Soybean Future Closing price

Contract	21.02.06	22.02.06	Chg
March	1216.40	1212.45	-3.95

Expected Support and Resistance Levels

Contract	Supports	Resistances
March	1200.90	1228.60
	1191.70	1236.60

Commodity: RAPESEED

Indicators

1. Candlestick showing bearish market sentiments.
2. Prices closed below 9-day and above 18-day EMA showing bearish market sentiments.
3. %K line is moving upward with % D line with wide gap showing the trend likely to be continued.
4. MACD moving below its signal line with wide gap.

Market advice:

Sell below 338.50, target near 337.40 and stop loss at 339.00.

NCDEX MAY MUSTARD CONTRACT



Mustard Future Closing price

Contract	21.02.06	22.02.06	Chg
May	340.30	339.0	-1.30

Expected Support and Resistance Levels

Contract	Supports	Resistances
May	336.40	342.00
	334.40	338.50

DOMESTIC MARKET COMMENTARY

Soybean:

NCDEX March contract witnessed weak opening at 1214.0 and tried to improve and reached today's high 1214.8 and started to fall then after. Steep downward fall was noticed up to 11.00 am and reached to its lowest value at 1205.35. Prices then tried to improve up to 12.15 pm and again downfall was noticed till 1.15 pm. The prices then remain steady with slight bullish sentiments and finally settled at 1212.45. Overall market sentiment remained bearish. 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 weak at 339.75 and maintain its uptrend up to next 30 minutes. The prices reached to its highest value 340.75 at 10.45 am and fall steeply for next 30 minutes. The prices then remain steady up to 12.15 pm and again steep fall was noticed till 12.45 pm. The prices remain steady for some time and reached to its lowest value 338.25 at 3.30 pm. Prices finally settled at 339.00. Overall market sentiments remain bearish today. Mustard seed prices at physical market were mostly range bound and steady with slight decline in few pockets. The prices of Jaipur, Alwar, Delhi and Agra are quoted at Rs 1685, 1625, 1675 and 1800 per quintal respectively. Arrival of mustard seed is reported to be 5000, 5000-6000, 200 bags in Jaipur Alwar and Delhi. Arrivals from Agra were quoted at 3900/(Q), with slight decrease. Kota witnessed decline at spot market at 1440-1475. Arrival from Kota is reported to be 10000-12000 bags. Total arrival of Rajasthan is reported to be 80000-90000 bags. Arrival increases with pace and started to flush in rajasthan market. Recent suggestion of Lahiri Committee report reveals slash in import duty on edible oil up to 72.50% had bearish impact on rapeseed oil. Long term futures is expected to remain bearish on account of arrival pressure of mustard seeds.

Status of Price & Supply of the New Crop 22.02.06

Markets	Prices Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1685	5000
Alwar(C)	1625	5000-6000
Delhi(C)	1675	200

Agra(C) Katchi Ghani	1800	3900/(Q)
Sri Ganganagar (NC)	1460-1465	100
Kota (NC)	1440-1470	10000-12000

Vayda Quotes

Mustard futures as on 22.02.06

Spot	M	PCP	O	H	Low	Ch	C
Delhi	MA	340.5	340.3	340.5	339.0	-1.5	339.0
Hapur	MA	349.9	349.8	350.3	347.6	-2.1	347.8
Hisar	MY	334.0	334.1	334.1	332.9	-1.0	333.0

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 331 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 oil decreased by Rs. 3 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 and growing demand.

Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kg)	
	22.02.06	21.02.06
Gr Kernel	2165*	2170*
Bolds 60/70	2695*	2695*
Javas 60/70	3025*	3040*
Javas 70/80	2925*	2940*
Javas 80/90	2800*	2815*

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

CBOT

CBOT Soy Futures Settle Low

Soy future settled low at Chicago Boards of Trades on Tuesday. March Soybeans settled down 13.75 cents at \$5.8750/bushel, 13.50 cents off the high and 5.50 cents up from the low. May Soybeans settled down 13.50 cents at \$6.01/bushel which was 6 cents up from the low and 13 cents off the high. March Soymeal settled down \$5.1 at \$180.2/ton that was \$1.7 up from the low and \$3.2 off the high. March Soybean Oil finished down 0.28 cents at 23.05 cents/pound, 0.18 cents off the high and 0.2 cents up from the low. Wide spread of bird flu through Europe, Egypt and India had a bearish impact

on the trade and sellers were active for the session. It could be seen for funds of noted sellers remain 2500 contracts of soybean and 2500 for soymeal. At the time of close, March soybeans moved down under the 100 day moving average. Rain is expected in the dry region of Argentina into the middle of the week and pace of harvesting results into the down fall of the prices. Weekly export inspections reveals soybean is at 27.36 million bushels as compared with trade expectations of 27-32 million bushels. Cumulative shipments have remain 56.3% than 69.3% as per the USDA forecast.

CBOT Soybean Futures as on 21.02.06

Month	PCP	O	H	L	Ch	Close
Mar 06	601.2	595.0	601.0	582.0	-13.8	587.4
May 06	614.4	608.0	614.0	595.0	-13.4	601.0

South American Soybean Futures Maintain Rally

South American soybean futures settled high on Tuesday. March South American soybeans settled 10 cents higher on Tuesday at \$6.50/bushel and move to the highest level since January 4th. Crop concern remain still high on account of recent dry spell and anticipation of rains in middle of the week sought little improvement on crop yield. Fund buying supported solid gains in US soybeans and products with funds noted buyers of 11,000 soybeans, 5000 oil and 3500 meal. Strength in other market such as gold and energy markets helped to boost the soybean as well. The Commitment of Traders report showed the market in a bullish transition with non-commercial traders going net long. Non-commercial traders shifted from a net short to a net long position and the buying trend showing short-term bullish sentiments. Oil is in a bearish tone, and meal is going on slightly overbought condition.

LATEST WEATHER WATCH: 22.02.2006

Forecast valid for next 72 hours

Light to moderate rain/thundershowers have continued at a few places over Assam, Meghalaya, Arunachal Pradesh and Sub Himalayan West Bengal & Sikkim during past 24 hours. The ongoing rainfall activity is likely to decrease after 24 hours. Largely dry weather conditions are likely to prevail over most parts of the country for the next 4-5 days outside western Himalayan region where scattered rain/snow is likely during next 3-4 days with increased intensity on 24th to 26th. Isolated rain/thundershowers are also likely over the adjoining plains of Punjab, northwest Rajasthan and

Haryana. Day temperatures were 8-10 ° C above normal over western Himalayan Region & parts of West Rajasthan and northwest Madhya Pradesh. They were 6-8 ° C above normal over remaining parts of northwest India, Uttar Pradesh and central India. Night temperatures were 5-7 ° C above normal over northwest India, Gangetic Plains & adjoining central India and East & northeast India. This scenario is likely to continue for the next 3-4 days.

NORTH-WEST INDIA: Isolated rain/snow likely to commence over Jammu & Kashmir from 23rd, which is likely to increase from 24th and extend to Himachal Pradesh. Isolated rain/thundershowers also likely over Punjab. 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 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 to remain near normal.

WEST INDIA: Weather will be mainly dry over the region, except isolated rain/thundershowers likely over northwest Rajasthan on 25th. Day and Night temperatures likely to remain significantly above normal over many parts of Rajasthan.

CENTRAL INDIA: Weather will be mainly dry over the region. Day temperatures are likely to remain 6-8 ° C above normal over northwest Madhya Pradesh and 4-6° C over rest region.

Source: MDI, GOI

Forex Rate on 22.02.06

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.51
European Union	Euro	53.07
United Kingdom	GBP	77.69
Japan	100 Yen	37.53

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