

OILSEED

2nd February, 2006

Mustard and Soybean likely to continue bearish tone

TECHNICAL ANALYSIS

Commodity: SOYBEAN

Indicators-

1. Candlestick showing bearish market sentiments.
2. Prices closed above the 9-day (330.06) and 18-day (328.63) EMA showing bearish market sentiments.
3. %K line crossed %D line from above indicating bearish market sentiments.
4. MACD is separating again indicating the trend likely to continue.

Market advice:

Sell below 1211.14, target near 1205.32 and stop loss at 1214.63.

NCDEX FEBRUARY CONTRACT



Soybean Future Closing price

Contract	31.01.06	1.02.06	Chg
February	1213.50	1209.50	-4.0

Expected Support and Resistance Levels

Contract	Supports	Resistances
February	1199.76	1217.23
	1195.13	1224.16

Commodity: RAPESEED

Indicators-

1. Candlestick showing bearish market sentiments.
2. Prices closed above the 9-day(330.06) and the 18-day (328.63) EMA showing bullish market sentiments.
3. %K line crossed %D line showing bearish crossover and weak market sentiments.
4. MACD is moving upwards with narrow gap indicating possible bearish cross over.

Market advice:

Sell below 335.13, target near 334.00 and stop loss at 335.95

NCDEX FEBRUARY CONTRACT



Mustard Future Closing price

Contract	31.01.06	1.02.06	Chg
February	335.05	333.90	-1.15

Expected Support and Resistance Levels

Contract	Supports	Resistances
February	332.33	336.23
	331.57	337.08

DOMESTIC MARKET COMMENTARY

Soybean:

NCDEX future market opened weak at 1212.25, the highest price of the day and tried to get positive sentiment, but fight between strong bulls and bears leads to steady rate upto 12.45 pm. Market then steadily came down and tried to retrieve firm position. Prices reached to its lowest value 1208.50 at 5.00 pm and then finally settled at 1213.50 with slight improvement. Prices then tried to improve and finally settled at 1209.50. Overall market sentiment remained bearish. Mandi rate at Indore was Rs.1125-1150/Qtl. Plant delivery of soybean quoted at Rs. 1190-1200 per qtl. In Madhya Pradesh, Maharashtra, Rajasthan markets arrivals were 70000-80000, 25,000-30,000 bags and 10,000 bags respectively. Increased arrival in MP is due to release of stock from stokist so that they can store fresh arrival of new crops. Low demand of DOC and soy oil being the main reason for weakening of prices in physical market. 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 334.90 lower than previous closing price. It then tried to regain its firm position due to buying pressure and reached to its highest value at 335.55. It retreats thenafter and finally settled at 333.40. The overall market sentiments remained bearish 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 1710-15, 1670-1675 and 1425-1450 per quintal respectively. Arrival of mustard seed is 10,000-15,000, 500-700 and 400-500 bags in Jaipur, Alwar and Delhi respectively. Arrivals from Agra were quoted at 3850-3875. 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 1.02.06

Markets	Prices Rs/Qtl	Arrivals (Bags)
Jaipur (C)	1710-1715	10,000-15,000
Alwar(C)	1670-1675	500-700
Delhi(C)	1720-1725	400-500
Agra(C) Katchi Ghani	1780-1790	3850-3875 (Q)
Sri Ganganagar (NC)	1425-1450	-
Kota (NC)	1500-1520	400

Vayda Quotes

Mustard futures as on 1.02.06

Centr e	M	PCP	O	H	Low	Ch	Close
Delhi	F	336.4	335.7	335.7	334.0	-1.9	334.5
Hapur	F	339.8	339.75	340	339	-0.5	339.3
Hisar	My	333.7	332.8	332.8	331.3	-2.4	331.3

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 330 per 20 kg and groundnut oil at Rs 440per 10 kg. Harvesting of groundnut in Gujarat is finished 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)	
	1.02.06	31.01.06
Gr Kernel	2155*	2150*
Bolds 60/70	2640*	2650*
Javas 60/70	2950*	2950*
Javas 70/80	2870*	2870*
Javas 80/90	2750*	2750*

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

CBOT

CBOT Soy Futures Settle High

March Soybeans settled down 4.50 cents at \$5.9425/bushel, 4.75 cents off the high and 3.75 cents up from the low. May Soybeans closed down 2.75 cents at \$6.0675/bushel, which was 4.75 cents up from the low and 3.25 cents off the high. March Soymeal setteled down \$3.2 at \$185.0/ton, which was \$0.5 up from the low and \$3.4 off the high. March Soybean Oil settled up 0.15 cents at 22.35 cents/pound, 0.05 cents off the high and 0.26 cents up from the low. Weather forecast news indicates the chances of rain in the dry areas of Argentina, which initially leads to support bears in the market. Later on the prices improved slightly for the reason being strength in wheat and corn futures coupled with the

talk of fund buying with traders. However, there was minor improvement the market could not able to revamp again for the reason of expectation of showers in dry region. Slow export to china and waiting of buyers for cheap South American soybean could be the other reasons for the downward movement.

CBOT Soybean Futures as on 31.01.06

Month	PCP	Open	High	Low	Ch	Close
Mar 06	598.6	598.6	603.2	563.4	-4.4	594.2
May 06	609.4	610.0	614.0	572.4	-2.8	606.6

South American soybean Futures Settle High

South American soybeans future settled high on Tuesday. March South American soybeans closed 10 cents higher on Tuesday to \$6.29/bushel then previous closing price. Due to improvement in US market in previous day and apprehensions about Argentina crop coupled with some light concerns Southern Brazil areas helped to improve the prices further. Recent weather forecast indicates possibility of rain in this week may relieve the crop from stress but hot and dry weather condition over the week helped to boost the prices up. Hamburg-based

oilseed analysts "Oil World" speculate world production for the year 2005/2006 to be 219.31 million tonnes with world consumption of 213.5 million tonnes. World ending stocks are high at 60 million tonnes compared to last year at 54.19 million tonnes. The market is supposed to move in the lower side due to nearness in the harvest time coupled with cheap grain prices, but fund buyers helped to improve the prices and provided temporary support.

Forecast valid for next 72 hours

NORTH: Rain/snow is likely at isolated places over higher reaches of Jammu & Kashmir. Weather will be mainly dry over the rest region.

EAST: Weather will be mainly dry over the region.

SOUTH: Weather will be mainly dry over the region.

WEST: Weather will be mainly dry over the region.

Source: IMD, GOI

Forex Rate on 31.01.06

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.15
Malaysia	Ringgits	11.77
European Union	Euro	53.68
United Kingdom	GBP	78.56
Japan	100 Yen	37.68

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.