

OILSEED

3rd April, 2006

Reduction of Tariff Hunt Soybean and Mustard

TECHNICAL ANALYSIS

Commodity: SOYBEAN

FUTURES MARKET COMMENTARY

Soybean:

NCDEX April contract opened weak with gap formation at 1186.00, observed steep fall for 15 minutes on account of decreased tariff rate on imported soy oil. Market responded more on reduced tariff rate than the counter news of implementation of VAT. Prices tried to regain and touch the day's high 1186.75 near 11.00 am. Steep fall could be noticed 12.45 onwards and finally settled at day's low 1175.5. Year ending could also be the reason for having bearish impact on the market.

Indicators

1. Candlestick showing bearish market sentiments.
2. Prices closed below 9-day and 18-day EMA showing bearish market sentiments.
3. %K turning towards % D line in over sold region indicating possible trend change.
4. MACD is moving downward in negative zone showing bearish sentiments.

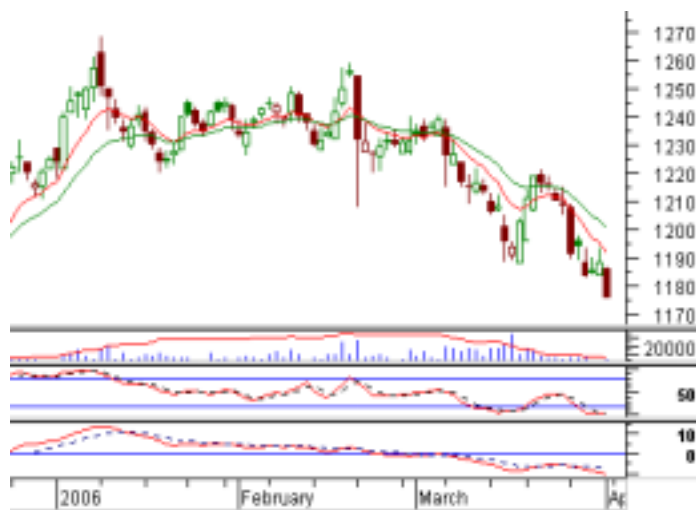
Market advice:

Risk lovers may buy at opening, 1st target near 1188.30, 2nd target near 1190.00 and stop loss at 1178.20.

NCDEX APRIL SOYBEAN CONTRACT

Support and Resistance Levels:

The current support levels are at 1173.50 and 1168.20 marks and resistance levels are at 1195.50 and 1200.00 marks as very short term.



Soybean Future Closing price

Contract	31.03.06	1.04.06	Chg
April	1190.45	1175.50	-14.95

Expected Support and Resistance Levels

Contract	Supports	Resistances
April	1173.50	1195.50
	1168.20	1200.00

Commodity: RAPESEED

FUTURES MARKET COMMENTARY

Mustard:

NCDEX May contract opened weak at 339.50, which remain the highest value of the day and witnessed steep fall up to 11.30 am followed by slight improvement. Prices then again slip down to touch the day's low 338.0 near 1.15 pm and finally settled at 338.20. The market reacted strongly on the news of reducing tariff value on soy oil and harvesting pressure.

Indicators

1. Candlestick showings bearish market sentiments.
2. Prices closed below 9-day and 18-day EMA showing bearish market sentiments.
3. %K line is moving downwards with %D line indicating

NCDEX MAY MUSTARD CONTRACT

bearish market sentiments.

4. MACD is moving down in negative zone indicating bearish sentiments.

Market advice:

Go short below 338.80, target near 337.00 and stop loss at 339.90.

Support and Resistance Levels:

The current support levels are at 337.00 and 336.10 marks and resistance levels are at 340.00 and 341.40.



Mustard Future Closing price

Contract	31.03.06	1.04.06	Chg
May	340.00	338.20	-1.80

Expected Support and Resistance Levels

Contract	Supports	Resistances
May	337.00	340.00
	336.10	341.40

DOMESTIC MARKET COMMENTARY

Soybean:

Soybean prices improved on both front, Mand and plant delivery as compared to last day prices. Implementation of VAT in MP, Rajasthan and other states had a bullish impact on the the spot and prices remain on the higher levels. Plant delivery rate quoted at Rs. 1190-1205 and Mandi rate ranged from Rs. 1190-1200. Average arrivals remain very low at 5000 from MP, 10000-12000 from Maharashtra and arrivals from Rajasthan remain at 7000-8000 bags. Reduced arrivals owing to the closing of financial year and the possible impact on soy products.

Rapeseed/Mustard:

Prices remain range bound in different region of Rajasthan market. Procurement by NAFED in Kota reduces the seed to arrive in local Mandis. Harvesting pressure in one hand and procurement by NAFED on the other kept the prices in a range bound fashion and prices restricted in a narrow band. In Jaipur, Alwar, Delhi and Agra prices quoted at Rs 1605-1610, 1525-1550, 1650-1655 and 1700 per quintal respectively. Arrival of mustard seed is reported to be 10000, 6000-7000 and 2000 bags in Jaipur, Alwar and Delhi respectively. Kota market remain closed owing to beginning of the financial year. Total arrival of Rajasthan is reported to be 100000-125000 bags. Prices moving in a range bound fashion in a tight range, one force (procurement by NAFED) pulling the prices up while huge arrivals pushing down.

Status of Price & Supply of the New Crop 1.04.06

Markets	Prices Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1605-1610	10000
Alwar(C)	1525-1550	6000-7000
Delhi(C)	1650-1655	2000
Agra(C) Katchi Ghani	1700	3800/(Q)
Sri Ganganagar (NC)	1450-1475	1000 (New)

Kota (NC)

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Vayda Quotes

Mustard futures as on 1.04.06

Spot	M	PCP	O	H	Low	Ch	C
Delhi	MY	340.2	339.8	339.9	338.7	-1.5	338.7
Hapur	MY	350.6	350.1	350.1	349.2	-1.1	349.5
Hisar	MY	-	-	-	-	-	-

M: Month; MY: May

Groundnut

Groundnut prices improved slightly in Gujarat owing to implementation of VAT combined with the fact of closing of marketing yard due to March ending. Groundnut seed in Rajkot Mandi traded at Rs 335 per 20 kg and groundnut oil at Rs 450 per 10 kg. The prices for seed and oil expected to improve after 1st week of April.

Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kg)	
	1.04.06	31.03.06
Gr Kernel	2215*	2215*
Bolds 60/70	2790*	2790*
Javas 60/70	2775*	2775*
Javas 70/80	2775*	2775*
Javas 80/90	2675*	2675*

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

CBOT

CBOT Soy Futures Flares Up

May Soybeans settled up 5.25 cents at \$5.8775/bushel, 1.25 cents off the high and 6.75 cents up from the low. November Soybeans settled up 5.25 cents at \$6.155, which was 6.50 cent up from the low and 1 cent off the high. May Soybean Oil closed up 0.2 cent at 23.17 cent/pound, 0.08 cent off the high and 0.18 cent up from the low. Record high in gold combined with bullish condition in other commodity markets results into initial rally in soybean. Favourable US export sales data further shoots the market up. Weekly US export sales for soybeans came well in the range at 295,300 metric tonnes as compared to trade expectations between 200,000-400,000. Solid gain in the meal export could be the reason for boosting the market up. Meal sales came high at 179,100 metric tonnes as compared to trade expectations between 70,000-125,000. Oil sales also remain high at 9,400 tonnes from 2,000-7,000 expected. Commercial buying in oil and fund buying in others helped to provide additional support to the market.

CBOT Soybean Futures as on 31.03.06

Month	PCP	O	H	L	Ch	Close
May 06	587.6	581.0	588.0	571.0	-16.2	571.4
July 06	601.0	594.4	600.6	585.0	-15.6	585.4

LATEST WEATHER WATCH: 1.04.06

Under the influence of western disturbance, rain/snow has occurred at a few places over Jammu & Kashmir region. Scattered rain/thundershowers accompanied with isolated hail/squall are likely over northeastern states during 2nd to 4th April. Partly cloudy sky with possibility of isolated thundery development/rain is likely over Punjab, Haryana, Chandigarh & Delhi and north Rajasthan. The other parts of the country are likely to experience generally dry weather except isolated rain/thundershowers over Tamil Nadu, Kerala and Nicobar Islands. Temperatures over western and central parts of the

country and are likely to increase gradually during next 3-4 days.

NORTH-WEST INDIA: Rain/snow is likely at a few places over Jammu & Kashmir, Himachal Pradesh and Uttaranchal. Isolated rain/thundershowers likely over Punjab and Haryana, Chandigarh & Delhi. Mainly dry weather is likely over the region from 3rd onwards.

EAST INDIA: Isolated rain/thundershowers are likely over West Bengal & Sikkim and coastal Orissa. Mainly dry weather is likely over the rest region.

NORTHEAST INDIA: Mainly dry weather is likely over the region upto 1st. Isolated to scattered rain/thundershowers with isolated hail/squall are likely over the region from 2nd April.

SOUTH INDIA: Isolated rain/thundershowers are likely over Nicobar Islands, south Tamil Nadu and Kerala. Weather will be mainly dry over the rest region.

WEST INDIA: Weather will be mainly dry over the region with mainly sunny days and increase in temperatures outside north Rajasthan where isolated rain/ thundershowers is likely

CENTRAL INDIA: Weather will be mainly dry over the region. The day & night temperatures in this region are likely to increase.

Outlook for subsequent two days based on NCMRWF and other numerical weather products: Scattered rain/thundershowers with isolated hail/squall are likely over northeastern states.

Source: IMD, GOI

Forex Rate on 1.04.06

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.59
European Union	Euro	54.04
Japan	100 Yen	37.86
United Kingdom	GBP	77.48

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