

OILSEED

12th May, 2006

Soybean and Mustard Improve on Speculation

TECHNICAL ANALYSIS

Commodity: SOYBEAN

Indicators

Candlestick showing strong improvement while stochastic and MACD are improving at this moment. RSI and %R line supporting the candles and indicating bullish sentiments.

Market advice:

Buy above 1402.30 targets near 1408.00 and stop loss at 1380.00.

Support and Resistance Levels:

The current support levels are at 1391.55 and 1386.30 marks and resistance levels are at 1410.00 and 1417.00 marks as very short term.

Futures market:

NCDEX futures for June contract improved further on speculative buying amid concern over the monsoon. The prices at spot remain still on higher levels thereby supporting the futures market. It also gains strength from the futures of soy oil. Open interest and volume both increased today indicating bullish sentiments.

NCDEX JUNE SOYBEAN CONTRACT



Soybean Future Closing price

Contract	10.05.06	11.05.06	Chg
June	1383.05	1404.00	+20.95

Expected Support and Resistance Levels

Contract	Supports	Resistances
June	1391.55	1410.00
	1386.30	1417.00

Commodity: RAPESEED

Indicators

Wide gap opening indicates that there might be chances for moving the prices to fill the gap. Stochastic and MACD indicates bearish sentiments while candles, RSI and %R indicates improvement. Both volume and OI increases indicating strength in the market.

Market advice:

Buy above 359.00, target near 361.10 and stop loss at 357.50.

Support and Resistance Levels:

The current support levels are at 355.75 and 354.00 marks and resistance levels are at 362.00 and 364.30.

Futures market:

Futures market initially decline but later on improve significantly and closed above its opening. Futures of other oils helped to maintain its firm position.

NCDEX JUNE MUSTARD CONTRACT



Mustard Future Closing price

Contract	10.05.06	11.05.06	Chg
June	356.65	359.00	+2.35

Expected Support and Resistance Levels

Contract	Supports	Resistances
June	355.75	362.00
	359.00	364.30

DOMESTIC MARKET COMMENTARY

Soybean:

The prices of the soybean seed remain improved marginally in the physical market amid improvement in soy oil. High demand of DOC and stocks in strong hands results into improvement in prices. Seed stocks are even in the strong hands and releasing with moderate pace to fetch premiums. Plant delivery rate quoted higher today at Rs. 1320-1350 + 4% VAT and Mandi rate remain range bound and varied between 1260-1300. Arrivals remain in between 20000 bags from MP, and moderately high at 20000-25000 from Maharashtra and arrivals from Rajasthan observed at 4000-5000 bags.

Rapeseed/Mustard:

Prices at most centers improved on account of higher futures of soy oil and strength in other oils. Procurement by private companies and local stockists provide some support to the mustard prices. NAFED had stopped procurement in in some area from the local markets as they are finding difficulties for proper warehousing of the produce. The prices are expected to remain range bound in the physical market in coming days and the fate of mustard seed prices will much depends on the procurement by stockist. Average arrivals remain at 150000-200000 bags.

Status of Price & Supply of the New Crop 11.05.06

Markets	Prices Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1700-1710	4000-5000
Alwar(C)	1640	5000
Delhi(C)	1740	2000
Agra(C)/Katchi Ghani	1800/4000	-
Sri Ganganagar (NC)	1500	7000-8000
Kota (NC)	1540-1570	2000

Vayda Quotes

Mustard futures as on 11.05.06

Spot	M	PCP	O	H	Low	Ch	C
Delhi	MY	343.7	341.2	344.3	341.0	+0.3	344.0
Delhi	AU	370.8	370.9	372.1	370.8	+1.2	372.0
Hapur	MY	353.5	353.75	354.0	353.5	+0.5	354.0
Hapur	AU	382.0	382.75	382.8	381.1	+0.6	382.6

M: Month; MY: May; AU: August

Groundnut

Groundnut prices further improved slightly in Rajkot Mandi, as the futures market of soy and other oil improved significantly thereby supporting the groundnut prices up. Seed and oil both improved in the physical market as it was quite related with the futures of other oils. Groundnut seed in Rajkot Mandi traded at Rs 345 per 20 kg and groundnut oil at Rs 456 + 4% VAT per 10 kg. Overall sentiments are expected to closely follow other oils and perhaps depends on the demand and supply scenario. Arrivals of seed are recorded nearly at 28000-30000 bags in Gujarat Mandi.

Spot Rates of Groundnuts in Mumbai

Groundnut	(Rates in Rs. Per 100 Kg)	
	10.05.06	11.05.06
Gr Kernel	2325*	2340*
Bolds 60/70	2760*	2760*
Javas 60/70	2975*	2975*
Javas 70/80	2850*	2850*
Javas 80/90	2750*	2750*

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

CBOT

CBOT Soy Futures Remain Mixed

July Soybeans settled up 1.50 cent at \$6.06/bushel, 6 cent off the high and 1.25 cent up from the low. November Soybeans settled up 1.50 cent at \$6.2525/bushel, which was 2 cent up from the low and 5.75 cent off the high. July Soymeal settled down \$0.7 at \$178.8/ton that was \$0.6 up from the low and \$2.7 off the high. July Soybean Oil closed up 0.2 cent at 25.28 cent/pound, 0.07 cent off the high and 0.27 cent up from the low. Market initially got strength from the yestardays rally followed with the idea that there might be chances of shifting of export demand from Brazil to US amid farmers protest in US. Continued weakness further added to its bullish tone. The rise in energy prices results into firmness in oil on the later part but meal decline due to speculative selling. Canadian officials projected canola stocks at record high at 5.1 million tonnes with record high soybean stocks. For Friday morning's USDA supply/demand report, traders are expecting ending stocks for the 2005/2006 season to be near 567 million bushels (range 555-585) as compared to 565 million last month. For the first estimate for the 2006/2007 season, traders are expecting for ending stocks at a record 683 million bushels.

CBOT Soybean Futures as on 10.05.06

Months	PCP	Open	High	Low	Change	Close
May 06	592.4	598.4	599.0	593.0	+0.6	593.2
July 06	604.4	610.0	611.0	605.4	+1.4	606.0

LATEST WEATHER WATCH: 11.05.06

The day temperatures are above 40°C over the plains of northwest India, north Gujarat, central India, Interior Maharashtra and interior Andhra Pradesh which are 2-4°C above normal. Heat wave conditions continue to prevail over pockets of Rajasthan, western Haryana, northwest Madhya Pradesh and Vidarbha, where day temperatures are still above 45°C. Heat wave conditions over these areas are likely to continue. The temperatures however are likely to remain below normal over eastern parts of the country as scattered to fairly widespread rainfall is likely over the area.

Source: IMD, GOI

Forex Rate on 11.05.06

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.07
European Union	Euro	57.45
Japan	100 Yen	40.54
United Kingdom	GBP	83.67

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