

OILSEED

15th May, 2006

Soybean and Mustard Decline on Speculative Selling

TECHNICAL ANALYSIS

Commodity: SOYBEAN

Indicators

Candlestick showing long filled candles indicating bearish sentiments. Stochastic and MACD though favours bulls but RSI and %R favour bears. Volume and OI falls indicating weakness in the market.

Market advice:

Risk bearers can only sell near 1421.00 targets near 1407.50 and stop loss at 1428.00.

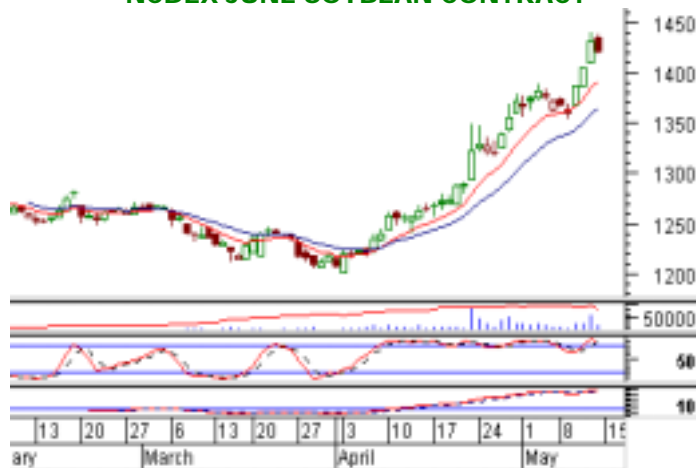
Support and Resistance Levels:

The current support levels are at 1399.25 and 1391.15 marks and resistance levels are at 1434.90 and 1440.00 marks as very short term.

Futures market:

NCDEX futures for June contract decline on speculative selling and profit booking. The market seems to very volatile on account of rumor of hike in tariff value on base import prices.

NCDEX JUNE SOYBEAN CONTRACT



Soybean Future Closing price

| Contract | 12.05.06 | 13.05.06 | Chg |
|----------|----------|----------|--------|
| June | 1437.05 | 1419.10 | -17.95 |

Expected Support and Resistance Levels

| Contract | Supports | Resistances |
|----------|----------|-------------|
| June | 1399.25 | 1434.90 |
| | 1391.15 | 1440.00 |

Commodity: RAPESEED

Indicators

Bearish engulfing pattern indicates the possible decline of prices in the upcoming day. %R and RSI supporting the bears while Stochastic as well as MACD indicate bullish sentiments. Volume and OI decline significantly supporting the downward movement of prices.

Market advice:

Sell below 361.60, target near 359.50 and stop loss at 362.70.

Support and Resistance Levels:

The current support levels are at 358.00 and 356.15 marks and resistance levels are at 363.15 and 365.15.

Futures market:

NCDEX June contract decline as on speculative selling and profit booking and short coverage. Prices are also seem to be influenced by the NAFED's reluctance of more procurement. Consolidation and correction was expected at this stage.

NCDEX JUNE MUSTARD CONTRACT



Mustard Future Closing price

| Contract | 12.05.06 | 13.05.06 | Chg |
|----------|----------|----------|-------|
| June | 365.60 | 361.60 | -4.20 |

Expected Support and Resistance Levels

| Contract | Supports | Resistances |
|----------|----------|-------------|
| June | 358.00 | 363.15 |
| | 356.15 | 365.15 |

DOMESTIC MARKET COMMENTARY

Soybean:

The prices of the soybean seeds remain range bound on higher levels. Heavy demand of DOC and firmness in soy oil prices enhance the demand for seeds. Low arrivals of seed combined with stocks in strong hand also had a bullish impact over its prices. Plant delivery rate improved on high demand and quoted significantly higher today at Rs. 1340-1350 + 4% VAT and Mandi rate remain range bound and varied between 1290-1310. Arrivals decreased today due to Purnima and remain at 10000 bags from MP, and 10000-25000 from Maharashtra and arrivals from Rajasthan observed at 3000 bags.

Rapeseed/Mustard:

Mustard seed improved in the physical market getting firm support from the futures market and very reduced arrivals from different centers. Expectation of possible hike in the tariff rate by \$45-\$48 on the base import prices would have a positive impact on mustard seed and oil. Stockist are stocking the seeds in anticipation of getting off-season premiums. NAFED stopped procurement 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 bags.

Status of Price & Supply of the New Crop 13.05.06

| Markets | Prices Rs/Qtl) | Arrivals (Bags) |
|----------------------|----------------|-----------------|
| Jaipur (C) | 1735-1740 | 5000 |
| Alwar(C) | 1710-1715 | 2000 |
| Delhi(C) | 1765-1770 | 1500 |
| Agra(C)/Katchi Ghani | 1840/4100-4150 | - |
| Sri Ganganagar (NC) | 1535-1540 | 7000-8000 |
| Kota (NC) | 1550 | 1500 |

Vayda Quotes

Mustard futures as on 13.05.06

| Spot | M | PCP | O | H | Low | Ch | C |
|-------|----|-------|--------|--------|-------|------|-------|
| Delhi | MY | 347.3 | 347.2 | 347.2 | 346.7 | -0.5 | 346.8 |
| Delhi | AU | 378.3 | 377.7 | 379.3 | 377.2 | -1.1 | 377.2 |
| Hapur | MY | 357.5 | 357.5 | 357.75 | 356.7 | -0.8 | 356.7 |
| Hapur | AU | 388.5 | 387.75 | 389.3 | 386.8 | -1.5 | 387.0 |

M: Month; MY: May; AU: August

Groundnut

Groundnut prices decline in Rajkot Mandi, as the futures market of soy and other oil decline significantly.. Seed and oil both decline in the physical market as it was quite related with the futures of other oils. Groundnut seed in Rajkot Mandi traded at Rs 346 per 20 kg and groundnut oil at Rs 455 + 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) | |
|-------------|---------------------------|----------|
| | 12.05.06 | 13.05.06 |
| Gr Kernel | 2350* | 2350* |
| Bolds 60/70 | 2760* | 2770* |
| 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

Mixed Sentiments Persists in CBOT Soy Futures

July Soybeans settled unchanged at \$6.13/bushel, 7 cent off the high and 5 cent up from the low. November Soybeans settled up 0.75 cent at \$632/bushel, which was 4 cent up from the low and 7 cent off the high. July Soybean meal settled down \$0.9 at \$177.8/ton that was \$1.8 up from the low and \$3.7 off the high. July Soybean Oil closed down 0.13 cent at 26.19 cent/pound, 0.53 cent off the high and 0.08 cent up from the low. Strength in corn and wheat helped to provide initial support but July soybean pulled to the lower side on low supply news and settled unchanged. The USDA projected ending stocks at 565 million bushels as compared to trade expectations near 567 million bushels and compared with last month's record high ending stocks at 565 million bushels. The USDA projected ending stocks for the 2006/2007 season at 650 million bushels as compared to trade expectations at 683 million bushels. At the same time world ending stocks for the 2005/2006 season were projected at 55.94 million tonnes from 53.75 million tonnes last month. This all set to new record high of the world ending stock. Meal suffer due to record supply of soybeans. The USDA projection for oil ending stocks remain at 2.379 billion pounds for the 2006/2007 season as compared to 2.749 billion pounds for this season.

CBOT Soybean Futures as on 12.05.06

| Months | PCP | Open | High | Low | Change | Close |
|---------|-------|-------|-------|-------|--------|-------|
| May 06 | 602.6 | 609.0 | 610.0 | 600.0 | -2.6 | 600.0 |
| July 06 | 613.0 | 620.0 | 620.0 | 608.0 | 0 | 613.0 |

LATEST WEATHER WATCH: 13.05.06

During past 24 hrs fairly widespread rainfall has occurred over Bay islands, West Bengal & Sikkim and northeastern States and at a few places over Bihar, Jharkhand and Orissa resulting in below normal temperatures over these areas. The models forecast suggest that ongoing rainfall activity over these areas is likely to continue for next 2-3 days and may increase further over northeastern States and Bay Islands. The day temperatures continue to remain 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 isolated pockets of north Rajasthan, west Haryana and northwest Madhya Pradesh, where day temperatures are still above 45°C. Heat wave conditions over these areas are likely to abate during next 2 days as

scattered duststorm/thunderstorm activity is likely over these areas.

Source: IMD, GOI

Forex Rate on 13.05.06

| Country/ Continent | Currency | Value in Rupees |
|--------------------|----------|-----------------|
| USA | Dollar | 58.04 |
| European Union | Euro | 45.05 |
| Japan | 100 Yen | 85.36 |
| United Kingdom | GBP | 40.94 |

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