

OILSEED

3rd May, 2006

Soybean and Mustard Observed Choppy Trade

TECHNICAL ANALYSIS

Commodity: SOYBEAN

Indicators

Candle sticks showing indecision while other indicators indicating bearish sentiments for short term. MACD though still rise indicating medium term bullishness.

Market advice:

Buy above 1320.45 targets near 1335.00 and stop loss at 1313.20.

Support and Resistance Levels:

The current support levels are at 1312.00 and 1305.10 marks and resistance levels are at 1340.10 and 1344.00 marks as very short term.

Futures market:

NCDEX futures for May contract witnessed choppy trade today with the formation of Doji pattern indicating indecisiveness. The market decline slightly but later on recover on the news of China's interest on bio-diesel. Today China announced more emphasis to be paid on bio-diesel production to benefit rural community and for cleaner environment.

NCDEX MAY SOYBEAN CONTRACT



Soybean Future Closing price

Contract	1.05.06	2.05.06	Chg
May	1321.95	1325.00	+3.05

Expected Support and Resistance Levels

Contract	Supports	Resistances
May	1312.00	1340.10
	1305.10	1344.00

Commodity: RAPESEED

Indicators

All the indicators hinting towards short term bearish sentiments and decrease in volume and open interest could be seen. MACD is moving upwards indicating medium term bullish sentiments.

Market advice:

Buy above 346.50, target near 348.95 and stop loss at 345.25.

Support and Resistance Levels:

The current support levels are at 345.55 and 344.10 marks and resistance levels are at 349.95 and 351.00.

Futures market:

Futures market decline today amid speculative selling and profit booking through short coverage.

NCDEX MAY MUSTARD CONTRACT



Mustard Future Closing price

Contract	1.05.06	2.05.06	Chg
May	346.50	346.95	+0.45

Expected Support and Resistance Levels

Contract	Supports	Resistances
May	345.55	349.95
	344.10	351.00

DOMESTIC MARKET COMMENTARY

Soybean:

Prices of soybean seeds in physical market soaring high with constant pace due to shortage into the market. Soybean plant delivery rate in Indore keep on rising, mainly on account of poor stock and good demand. Plant delivery rate quoted higher today at Rs. 1305-1320 + 4% VAT and Mandi rate remain range bound and varied between 1250-1280. Moderate arrivals hit the market and varied between 20000-25000 bags from MP, 20000-25000 from Maharashtra and arrivals from Rajasthan observed at 4000.

Rapeseed/Mustard:

Prices at the spot at few location increased amid reduced arrivals due to the stocks held by the producers in anticipation of fetching premium. NAFED got Rs. 900 crore for the speedy payment in lieu of procurement which likely to have a bullish impact on the market. Spot also get strength from the local millers who regularly procuring the seeds from the market. Procurement by NAFED also provided underlying support. The prices are expected to improve in range bound fashion in the physical market in coming days. Average arrivals remain at 200000-250000 bags.

Status of Price & Supply of the New Crop 2.05.06

Markets	Prices Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1690-1700	5000
Alwar(C)	1590-1600	7000
Delhi(C)	1730-1740	3000
Agra(C)/Katchi Ghani	1770/4050	-
Sri Ganganagar (NC)	1510-1515	6000-7000
Kota (NC)	1540-1565	2000

Vayda Quotes

Mustard futures as on 2.05.06

Spot	M	PCP	O	H	Low	Ch	C
Delhi	MY	347.0	345.9	346.6	345.0	-0.9	346.1
Hapur	AU	0	370.0	372.0	370.0	+371.25	371.25

M: Month; MY: May; AU: August

Groundnut

Groundnut prices decline further in Gujarat Mandi, as the demand decreased slightly today at the retail end combined with weakness in other oils. Seed remain stable while oil decline slightly. It is expected that the oil prices are expected to improve in near terms slightly as soy oil expected to improve in coming days. Groundnut seed in Rajkot Mandi traded at Rs 348 per 20 kg and groundnut oil at Rs 465 + 4% VAT per 10 kg.

Overall sentiments are expected to remain mixed and will much depend on the futures marked prices of other oils. Arrivals of seed are recorded nearly at 30000 bags in Gujarat Mandi.

CBOT

CBOT Soy Futures Maintain Rally

July Soybeans settled up 5.75 cents at \$6.0675/bushel, 5.75 cents off the high and 10.50 cents up from the low. November Soybeans settled up 5.25 cent at \$6.26/bushel, which was 9.50 cent up from the low and 6 cent off the high. July Soymeal settled up \$5.3 at \$179.0/ton that was \$3.5 up from the low and \$1.0 off the high. July Soybean Oil closed up 0.16 cent at 25.88 cent/pound, 0.29 cent off the high and 0.06 cent up from the low. Strength in gold and silver helped to support the grain market which in turn boost the soy futures up amid short covering buying support. Weakness in dollar also provided underlying support. Fund buyers dominate the session and recorded near 8000 contracts into the mid session. July meal accomplished well among other contracts. For the weekly export inspections report, soybean exports remain at 9.077 million bushels as compared to 8-12 million expected. Talk in the market that nearly 2,000 contracts of the oil was stopped by a major commercial trading firm in their house account provide some underlying support.

CBOT Soybean Futures as on 1.05.06

Months	PCP	Open	High	Low	Change	Close
May 06	587.2	589.4	598.4	589.4	+6.0	593.2
July 06	601.0	603.0	612.4	603.0	+5.6	606.6

LATEST WEATHER WATCH: 2.05.06

Mainly dry weather prevailed over the country except scattered rainfall over northeastern states and Sub-Himalayan West Bengal & Sikkim and isolated over Himachal Pradesh, Jammu & Kashmir and Tamil Nadu. Isolated duststorm/thunderstorm have also occurred over Rajasthan. Day temperatures are above 40 deg Celsius over the entire plains of northwest India, Uttar Pradesh, Bihar, Madhya Pradesh, Chhattisgarh, Vidarbha, Marathawada, interior Andhra Pradesh and Tamil Nadu. This scenario is likely continued except over Tamil Nadu and Andhra Pradesh where they are likely to fall. Heat wave conditions continue to prevail over Tamil Nadu. They are likely to abate during next 1-2 days, as isolated rainfall is likely over the area.

Source: IMD, GOI

Forex Rate on 2.05.06

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.90
European Union	Euro	56.47
Japan	100 Yen	39.46
United Kingdom	GBP	81.88

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