

OILSEED

5th May, 2006

Soybean and Mustard Decline

TECHNICAL ANALYSIS

Commodity: SOYBEAN

Indicators

Stochastic and MACD indicates bullish market sentiments while candle sticks showing indecisiveness. Open interest increased while volume decline slightly hinting expected choppy movement.

Market advice:

Buy above 1335.20 targets near 1345.00 and stop loss at 1330.00.

Support and Resistance Levels:

The current support levels are at 1329.30 and 1321.00 marks and resistance levels are at 1346.00 and 1349.00 marks as very short term.

Futures market:

NCDEX futures for May contract witnessed choppy trade amid failure of talk of India with Sri Lanka on Vanaspatti issue. The meeting was postponed for about a month and thereby weakening soy oil. Weakness in soy oil pulls down the prices of seed into the market.

NCDEX MAY SOYBEAN CONTRACT



Soybean Future Closing price

Contract	3.05.06	4.05.06	Chg
May	1343.80	1341.00	-2.80

Expected Support and Resistance Levels

Contract	Supports	Resistances
May	1329.30	1346.00
	1321.00	1349.00

Commodity: RAPESEED

Indicators

Most of the indicators indicating short term bearish sentiments and prices are expected to decline. Open interest and volume increased showing profit booking at this level.

Market advice:

Sell below 346.35, target near 344.20 and stop loss at 347.45.

Support and Resistance Levels:

The current support levels are at 342.75 and 341.35 marks and resistance levels are at 347.15 and 348.60.

Futures market:

Futures market decline on speculative selling as the majority of traders are covering short to fetch the profit. The prices are expected to further to decline slightly as the prices were in higher levels.

NCDEX MAY MUSTARD CONTRACT



Mustard Future Closing price

Contract	3.05.06	4.05.06	Chg
May	347.45	345.75	-1.70

Expected Support and Resistance Levels

Contract	Supports	Resistances
May	342.75	347.15
	341.35	348.60

DOMESTIC MARKET COMMENTARY

Soybean:

Improvement in prices on the higher levels could be noticed for soybean seeds in physical market due to high demand from the plants. Soybean plant delivery rate in Indore remain firm, mainly on account of poor stock and good demand by the millers. Stocks are even in the strong hands and releasing with moderate pace to fetch premiums. Plant delivery rate quoted higher today at Rs. 1300-1330 + 4% VAT and Mandi rate remain range bound and varied between 1280-1300. Moderate arrivals hit the market and varied between 20000-25000 bags from MP, 20000 from Maharashtra and arrivals from Rajasthan observed at 5000-6000.

Rapeseed/Mustard:

Prices at physical market remain firm amid reduced arrivals due to the stocks held by the producers in anticipation of fetching premium. Steady procurement by the NAFED results into firmness into the market. Spot also get strength from the local millers who regularly procuring the seeds from the market. The prices are expected to improve in range bound fashion in the physical market in coming days. Average arrivals remain at 200000 bags.

Status of Price & Supply of the New Crop 4.05.06

Markets	Prices Rs/Qtl)	Arrivals (Bags)
Jaipur (C)	1690-1700	8000
Alwar(C)	-	-
Delhi(C)	1740-1745	1500
Agra(C)/Katchi Ghani	1800/4100	-
Sri Ganganagar (NC)	1510-1515	-
Kota (NC)	1500-1530	4000

Vayda Quotes

Mustard futures as on 4.05.06

Spot	M	PCP	O	H	Low	Ch	C
Delhi	MY	347.3	347.0	347.0	345.3	-1.6	345.7
Delhi	AU	373.4	372.5	372.5	371.1	-1.7	371.7
Hapur	MY	355.5	354.9	354.9	353.9	-1.0	354.5
Hapur	AU	383.4	382.75	382.7	380.7	-1.5	381.9

M: Month; MY: May; AU: August

Groundnut

Groundnut prices continue its downward trend in Rajkot Mandi, as the demand decreased today at the retail end combined with the possible exemption of VAT on groundnut, which may results into steep decline in its prices. Seed improved slightly while oil decline slightly in the physical market. Groundnut seed in Rajkot Mandi traded at Rs 347 per 20 kg and groundnut oil at Rs 455 + 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 Remain Mixed

July Soybeans settled up 2.50 cent at \$6.055/bushel, 2.50 cent off the high and 4.25 cent up from the low. November Soybeans settled up 2.75 cent at \$6.255/bushel, which was 4.50 cent up from the low and 2.25 cent off the high. July Soymeal settled down \$0.6 at \$176.9/ton that was \$1.1 up from the low and \$2.1 off the high. July Soybean Oil settled down 0.01 cent at 25.72 cent/pound, 0.18 cent off the high and 0.06 cent up from the low. Initial gain was observed in the market as it acquired strength from other market. Some political problems in the Brazil had a bullish impact on the market. Farmers are protesting by blocking roads to the ports and silos to get revised governmental aid to the soybean growers. This will helped to shift the demand from South America to US. Strength in gold and energy provided additional strength to the soybean amid active fund buying support. Speculative and effective selling in meal helped to lower its prices. The soybean also gain some support from the Brazil Agriculture Ministry report which lowered the Brazil production forecast to 55.2 million tonnes from 55.7 million previous.

CBOT Soybean Futures as on 3.05.06

Months	PCP	Open	High	Low	Change	Close
May 06	590.4	593.0	593.4	588.0	+2.2	592.6
July 06	603.0	606.0	607.4	601.2	+2.4	605.4

LATEST WEATHER WATCH: 4.05.06

Isolated rain/thundershowers are likely over south Madhya Maharashtra and south Konkan & Goa. Isolated duststorm/thunderstorm may occur over Rajasthan towards evening/night. Mainly dry weather over the rest region. Temperatures over Rajasthan are likely to remain 42-44°C.

Source: IMD, GOI

Forex Rate on 4.05.06

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.97
European Union	Euro	56.69
Japan	100 Yen	39.42
United Kingdom	GBP	82.51

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