

SOYBEAN

Technical Analysis:

- Soybean chart reflects downwards move in price.
- Prices closed above 9-day and 18-day EMA indicating bullish momentum in near and medium-term.
- MACD is rising in positive territory.
- RSI and stochastic are easing in neutral region.
- The soybean prices are likely ease in Wednesday's session.

Trade Recommendation – Soybean NCDEX (January)

Call	Entry	T1	T2	SL
SELL	<2375	2365	2360	2380
Support & Resistance				
S2	S1	PCP	R1	R2
2332	2345	2370	2386	2400

Soya Bean 1101(NCSOYF1)2011/01/04 - Daily B:2368.00 A:2370.00
O 2377.00 H 2377.00 L 2352.00 C 2370.00 V 57,020 I 122,940 -10.5
EMA(9) 2360.3 (18) 2337.6



RAPSEED

Technical Analysis:

- Mustard seed prices witnessed selling pressure in the market.
- Prices closed below 9-day 18-day EMA supporting bearish momentum in near and medium-term.
- RSI and stochastic are declining in neutral zone.
- Prices are likely to fall in Wednesday's session.

Trade Recommendation – Rapeseed NCDEX (January)

Call	Entry	T1	T2	SL
SELL	<574	569	567	577
Support & Resistance				
S2	S1	PCP	R1	R2
565	567	570.5	573	575

Mustard Seed 1101(NCRM5F1)2011/01/04 - Daily B:570.50 A:570.75
O 572.05 H 572.50 L 569.00 C 570.50 V 46,510 I 125,760 -3.65
EMA(9) 571.18 (18) 571.09



Oilseed Summary

Overall the oilseed prices have witnessed firm-tone with rise in winter and festive demand in some edible oils and expected rise in oilmeals demand from poultry feed industry.

International Market (CBOT)

CBOT soybean futures closed sharply lower on expectations rain will ease stress on Argentina's crop. Midday forecasts increased chances for rain in Argentine growing areas.

Spot Market Analysis: Soybean

Soybean prices declined in major cash markets on weak global cues Tuesday. Besides, dull trading activity was witnessed in benchmark, Indore with lower arrivals reported in Madhya Pradesh.

- Soybean arrivals in Madhya Pradesh significantly declined to 0.5 lakh bags compared to the previous day's level of 2.0 lakh bags (90 kg each). Besides, no arrival is reported in Indore mandi.
- The fall in arrivals in MP is attributed to Amavasya when trade activities remain weak.
- Forecast of rains in Argentina this week has eased the crop output concern.
- Estimated lower oil-palm yields due to La Nina event, disruption in harvest followed by unusual rains in Indonesia and Malaysia and drought in South America has affected soybean crops raised the edible oil supplies ahead.
- Argentina's soybean production may fall by 17 percent to as low as 43 million tons in the 2010-2011 harvest as a result of a drought caused by the La Nina weather event.
- Experts believe that increased demand for food in Asia will help boost prices next year, fueling faster inflation.
- China is likely to import soybean 5 Mn T in January and 3.5 Mn T in February with expected cooking oil demand ahead of Chinese Lunar New Year.
- COOIT has projected that India is likely to export 3.4 Mn T of soymeal in FY11 against 2.1 Mn T shipped in FY10.
- India's soybean availability is projected to rise to 11.59 million tons in 2010-11 as compared to 10.12 million tonnes estimated for 2009-10. Higher carry over and production is the contributors to the same.
- The Buenos Aires Grains Exchange lowered its estimate of Argentine soybean acreage to 18.5 million hectares from 18.7 million previous.
- World soybean crushings will increase sharply by about 6.8 Mn T from a year earlier to 56.7 Mn T in Oct/Dec 2010 – Oil World.
- Global soybean production is projected at a 257.8 Mn T, up 0.4 Mn mainly due to an increase for Canada – USDA.
- Total U.S. oilseed production for 2010/11 is projected at 101.7 Mn T, down slightly due to a small reduction in cottonseed – USDA.

Soybean prices are likely to recover and remain firm on near and medium-term on expected good domestic soyoil demand and higher domestic and overseas soy meal demand.

Spot Market Analysis: Rapeseed/Mustard Seed

Mustard seed prices mostly witnessed weak tone in association with soybean and weak international vegoil market.

- Arrivals in Rajasthan are reported lower at 35,000 bags (85 kg each) compared to the previous day's level of 40,000 bags.
- The buying activity from millers in the seed is witnessed weak due to higher seed prices, which rallied last week.
- India's mustard seed production is likely to cross 62 lakh tons in 2010-11 vs 55 lakh tons with expected increase in area by 10-15%.
- All India mustard seed acreage as on 24th December was 6.92 Mn ha against 6.26 Mn ha planted in the corresponding period last year.
- Rapeseed output in Rajasthan, which produces half of the country's total output, is likely to rise to 4.2 Mn T from 2.9 Mn T in 2009.
- Rapeseed, or canola, production will fall to a three-year low of 57.8 Mn T in the marketing year that ends June 30 – Oil World.
- Global oilseed ending stocks are projected at 70.3 Mn T, down 1 Mn, as lower soybean stocks in Brazil and the United States are only partly offset by higher rapeseed stocks in Canada – USDA.
- Canadian rapeseed production is raised 0.9 Mn T to 11.9 Mn based on the latest survey results from Statistics Canada – USDA.
- Global rapeseed production is projected at 58.4 Mn T, up 1.2 Mn due to gains for Canada and EU-27 – USDA.

Mustard seed prices may remain range bound with positive bias on higher demand for meal and oil. Lesser area sown until this time of the year also remains supportive but it is premature to comment on the seed output.

Oilseed Prices at Key Markets

Commodity	Centre	Prices		Change
		04-01-11	03-01-11	
Soybean	Indore –P	2320-2340	2340-2385	-45
	Indore –M	2225-2260	2260-2315	-55
	Nagpur – M	2260-2280	2270-2320	-40
	Kota – M	2200-2270	2260-2320	-50
Rapeseed/Mustard	Jaipur – C	2870	2900	-30
	Alwar – C	2775	2775	Unch
	Delhi– C	2830	2840	-10
Groundnut (In Shell)	Rajkot	595	600	-5
Sunflower Seed	Latur	2800-3100	-	-

*P – Plant Delivery Prices, M – Mandi Prices, C – Condition (42%)

*Prices in Rs/Qtl

*Groundnut (In Shell) in Rs/20 kg

*Sunflower Seed in Rs/qtl

FOREX RATES as on 04.01.11

Country/ Continent	Currency	Value in Rupees - 04.01.11	Value in Rupees - 03.01.11
USA	Dollar	44.84	44.67
Europe	Euro	59.79	59.37
Japan	Yen	54.56	54.97
Britain	Pound Sterling	69.32	69.44

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