

### SOYBEAN

#### Technical Analysis:

- Soybean chart reflects selling pressure in the market.
- Prices closed above 9-day and 18-day EMA indicating bearish 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 to ease in Saturday's session.

#### Trade Recommendation – Soybean NCDEX (Feb)

Call	Entry	T1	T2	SL
<b>SELL</b>	<b>&lt;2393</b>	<b>2383</b>	<b>2378</b>	<b>2398</b>
Support & Resistance				
S2	S1	PCP	R1	R2
<b>2359</b>	<b>2375</b>	<b>2388</b>	<b>2422</b>	<b>2438</b>



### RAPSEED

#### Technical Analysis:

- Mustard seed chart reveals downwards move 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 Saturday's session.

#### Trade Recommendation – Rapeseed NCDEX (January)

Call	Entry	T1	T2	SL
<b>SELL</b>	<b>&lt;562</b>	<b>557</b>	<b>555</b>	<b>567</b>
Support & Resistance				
S2	S1	PCP	R1	R2
<b>555</b>	<b>557</b>	<b>559.1</b>	<b>562</b>	<b>564</b>



### 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 settled lower, retracing most of Wednesday's rally, as traders booked profits from prior gains.

### Spot Market Analysis: Soybean

***Soybean prices eased on weak global cues Friday. Weakness in BMD CPO and losses in CBOT soy complex pressured the domestic market.***

- Soybean arrivals in Madhya Pradesh remained steady at 2.5 lakh bags (90 kg each) compared to the previous day's level. At Indore mandi the arrivals are reported slightly lower at 5,000 bags compared to 5,500 bags.
- Forecast of rains and wet weather in Argentina eased the crop output concerns remain a negative factor for the international soy market and subsequently local market.
- India doesn't have any plan to impose an import duty on crude edible oils or to raise the tax on refined edible oils. Earlier, government was planning to impose the duty early January 2011.
- 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 concern this season.
- 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. Its acreage is estimated at 18.5 Mn ha.
- 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.
- 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 tracking weakness in local soybeans and BMD CPO. Indian mustard seed market follows BMD CPO.***

- Arrivals in Rajasthan are reported higher at 50,000 bags (85 kg each) compared to the previous day's level of 40,000 bags.
- 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 is reported at 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
		07-01-11	06-01-11	
Soybean	Indore –P	2290-2330	2290-2340	-10
	Indore –M	2200-2240	2210-2260	-20
	Nagpur – M	-	-	-
	Kota – M	-	-	-
Rapeseed/Mustard	Jaipur – C	2880	2900	-20
	Alwar – C	2750	2770	-20
	Delhi– C	2830	2825	+5
Groundnut (In Shell)	Rajkot	590	600	-10
Sunflower Seed	Latur	2700-3150	-	-

\*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 07.01.11

Country/ Continent	Currency	Value in Rupees - 07.01.11	Value in Rupees - 06.01.11
USA	Dollar	45.37	45.31
Europe	Euro	58.93	59.56
Japan	Yen	54.34	54.48
Britain	Pound Sterling	70.03	70.26

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