

SOYBEAN

Technical Analysis:

- Soybean prices closed above 9-day and 18-day EMA indicating bullish momentum in near and medium-term.
- RSI is easing in neutral region while stochastic is rising in neutral zone.
- The soybean prices are likely to gain in Thursday's session.

Trade Recommendation – Soybean NCDEX (Feb)

Call	Entry	T1	T2	SL
BUY	>2407	2417	2422	2402
Support & Resistance				
S2	S1	PCP	R1	R2
2380	2390	2411.5	2422	2433



RAPSEED

Technical Analysis:

- Mustard seed chart reveals downtrend in the prices.
- Prices closed below 9-day 18-day EMA supporting bearish momentum in near and medium-term.
- RSI and stochastic are easing in oversold zone, warranting correction.
- Prices are likely to decline in Thursday's session.

Trade Recommendation – Rapeseed NCDEX (January)

Call	Entry	T1	T2	SL
SELL	<551	546	544	554
Support & Resistance				
S2	S1	PCP	R1	R2
535	540	548.15	552	554



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 stumbled, succumbing to profit-taking pressure, as traders reduced risk exposure ahead of Wednesday's crop updates from federal forecasters. CBOT March soybeans, the most active contract, settled 23 1/2 cents or 1.7% lower at \$13.57.

Spot Market Analysis: Soybean

Soybean prices eased in cash markets on weak global cues Wednesday. Fall in Malaysian palm oil and overnight losses in CBOT soyoil remained negative factors for the local soybean market.

- Soybean arrivals in Madhya Pradesh are reported slightly higher at 1.6 lakh bags (90 kg each) compared to previous day's level of 1.5 lakh bags. At Indore mandi the arrivals are reported higher at 4,500 bags compared to the previous day's level of 4,000 bags.
- The market is awaiting USDA's monthly World Agriculture Supply And Demand Estimate report.
- The global vegoil market is expecting US may cut world soybean output estimate, in its monthly World Agriculture Supply And Demand Estimate report, due to dry weather in Latin America.
- 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.
- Global inventories of soybeans will drop to 58.78 million tons at the end of this season, from 60.4 million tons a year ago, -Bloomberg. U.S. Department of Agriculture's estimated it at of 60.1 million tons.
- 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 declined in conjunction with local soybean and fall in Malaysian palm oil Thursday.

- Arrivals in Rajasthan are reported steady at 40,000 bags (85 kg each) compared with the previous day's level.
- The total rabi area under oilseeds is reported higher at 88.84 lakh ha as on 7 January 2011 against 86.55 lakh ha previous season.
- 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 vs 6.26 Mn ha 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
		12-01-11	11-01-11	
Soybean	Indore –P	2300-2340	2330-2360	-20
	Indore –M	2200-2265	2225-2275	-10
	Nagpur – M		2230-2265	
	Kota – M		2225-2275	
Rapeseed/Mustard	Jaipur – C	2855	2870	-15
	Alwar – C	2700	2750	-50
	Delhi– C	2755	2775	-20
Groundnut (In Shell)	Rajkot	575	575	Unch
Sunflower Seed	Latur	2850-3150	2800-3200	-50

*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 12.01.11

Country/ Continent	Currency	Value in Rupees - 12.01.11	Value in Rupees - 11.01.11
USA	Dollar	45.16	45.32
Europe	Euro	58.68	58.70
Japan	Yen	54.34	54.57
Britain	Pound Sterling	70.64	70.54

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