

**SOYBEAN****Technical Analysis:**

- Soybean chart reveals fall in prices in the market.
- 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 easing in overbought zone.
- *The soybean prices are likely to decline in Thursday's session.*

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

Call	Entry	T1	T2	SL
<b>SELL</b>	<b>&lt;2511</b>	<b>2501</b>	<b>2496</b>	<b>2516</b>
Support & Resistance				
S2	S1	PCP	R1	R2
<b>2540</b>	<b>2477</b>	<b>2509</b>	<b>2540</b>	<b>2557</b>

**RAPESEED****Technical Analysis:**

- Mustard seed chart reveals range-bound move in prices.
- Prices closed above 9-day and 18-day EMA supporting bullish momentum in near and medium-term.
- RSI and stochastic are rising in overbought zone.
- *Mustard seed prices are likely to gain in Thursday's session.*

**Trade Recommendation – Rapeseed NCDEX (Apr)**

Call	Entry	T1	T2	SL
<b>BUY</b>	<b>&gt;2991</b>	<b>3001</b>	<b>3006</b>	<b>2986</b>
Support & Resistance				
S2	S1	PCP	R1	R2
<b>2936</b>	<b>2945</b>	<b>2996</b>	<b>3002</b>	<b>3010</b>

**Oilseed Summary**

Overall the oilseed prices have witnessed firm-tone with rise in winter demand and rise in overseas oilmeals demand and demand from domestic poultry feed industry.

**International Market (CBOT)**

CBOT soybean futures fell, succumbing to selling pressure driven by profit taking as improved Argentina weather trumped lingering support from last week's export sales. CBOT March settled 7 3/4c or 0.5% lower at \$14.04 1/2 a bushel.

## Spot Market Analysis: Soybean

***Soybean prices fell in cash markets tracking losses in Malaysian palm oil and improved Argentina weather. Also in Brazil soybean production prospects are favourable and have improved after the arrival of beneficial rains.***

*Soybean arrivals in Madhya Pradesh are reported steady at 1.50 lakh bags (90 kg each). At Indore mandi too the arrivals remained inert at 4500 bags.*

- A normal regular demand from plants and crushers in soybeans is witnessed in key physical markets.
- The farmers' strike in Argentina has ended but the leaders have warned that members of the relevant rural entities will meet in two weeks, to discuss further measures and that they do not rule out another strike. The current measures had put a halt to the sale of grains.
- China, the world's biggest soybean importer and consumer, has signed 21 purchasing agreements in Chicago this week for U.S. supplies valued at \$6.68 billion (11.52 Mln T) - U.S. Soybean Export Council.
- Oil World has estimated soybean crushings in the USA, Argentina and Brazil (G-3) at 9.2 Mn T in Dec., up 10%.
- The U.S., the world's largest grower and exporter of soybeans, has exported 15.2 Mn T to China from the start of the marketing year on Sept. 1 through Jan. 6. Outstanding sales to China were at 7.62 Mn T as of Jan. 6.
- Initial harvesting of early soybean varieties started in Mato Grosso, but it is lagging last year's pace – Oil World.
- The US soybean crop estimate was lowered by as much as 1.2 Mn T to only 90.6 Mn T, which compares to 94.8 Mn T expected in early September – USDA.
- Global soybean production is projected at 255.5 million tons, down 2.3 million – USDA.
- The Argentina soybean crop is projected at 50.5 million tons, down 1.5 million from last month due to lower projected yields - USDA.
- Paraguay soybean production is raised 0.5 million tons to 7 million due to increased area and favorable yield prospects - USDA.

***Soybean prices are likely to remain firm on near and medium-term on expected good domestic soyoil demand and higher domestic and overseas soy meal demand. Crop loss in Argentina and continued Chinese overseas buying will support the soybean prices at higher levels.***

## Spot Market Analysis: Rapeseed/Mustard Seed

***Mustard seed prices in key physical markets mostly witnessed steady tone. Mild weakness in Malaysian palm oil failed to pressure the domestic mustard seed markets Tuesday.***

- Arrivals in Rajasthan are reported lower at 30,000 bags (85 kg each) compared to the previous day's level of 30,000 bags.
- Rapeseed output in India's top producing state may jump 10 percent this year, cutting cooking oil imports of the world's top buyer by 500,000 tonnes in 2010/11. Planting in a larger area in Rajasthan has raised India's total rapeseed acreage by 11 percent to 7.2 million hectares as good rains ensured healthy soil moisture.
- The total area covered under rabi oilseeds, as on January 14 2011, stands at 89.40 lakh ha compared to 87.30 lakh ha in the same period last year. The rise in area (2.5%) under the oilseeds is expected to increase the production.
- 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%.
- Ukraine's rapeseed crop declined 22 percent to 1.47 Mn T.
- 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 for 2010/11 are reduced 2 million tons to 68.3 million with Argentina and U.S. soybean stocks accounting for most of the change– USDA.
- Global oilseed production for 2010/11 is projected at 440.4 million tons, down 2.3 million from last month – 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
Soybean		25-01-11	24-01-11	
	Indore -P	2350-2500	2480-2520	-20
	Indore -M	2320-2360	2400-2470	-110
	Nagpur - M	2320-2390	2400-2460	-70
	Kota - M	2320-2375	2390-2440	-75
Rapeseed/Mustard	Jaipur - C	2915	2915	Unch
	Alwar - C	2750	2750	Unch
	Delhi- C	2800	2785	+15
Groundnut (In Shell)	Rajkot	605	605	Unch
Sunflower Seed	Gulbarga	2800-3200	2800-3200	Unch

\*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 25.01.11

Country/ Continent	Currency	Value in Rupees - 25.01.11	Value in Rupees - 24.01.11
USA	Dollar	45.53	45.58
Europe	Euro	62.14	62.01
Japan	Yen	55.24	55.08
Britain	Pound Sterling	72.77	72.79

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