

SOYBEAN

Technical Analysis:

- Soybean chart reveals buying support in the market.
- Prices closed above 9-day and 18-day EMA indicating bullish momentum in near and medium-term.
- RSI and stochastic are rising in neutral region.
- *The soybean prices are likely to rise in Wednesday's session.*

Trade Recommendation – Soybean NCDEX (Mar)

| Call | Entry | T1 | T2 | SL |
|---------------------------------|-----------------|---------------|-------------|-------------|
| BUY | >2481 | 2491 | 2496 | 2476 |
| Support & Resistance | | | | |
| S2 | S1 | PCP | R1 | R2 |
| 2462 | 2470 | 2486.5 | 2502 | 2510 |



RAPESEED

Technical Analysis:

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

Trade Recommendation – Rapeseed NCDEX (Apr)

| Call | Entry | T1 | T2 | SL |
|---------------------------------|-----------------|-------------|-------------|-------------|
| SELL | <2945 | 2935 | 2930 | 2950 |
| Support & Resistance | | | | |
| S2 | S1 | PCP | R1 | R2 |
| 2910 | 2919 | 2940 | 2965 | 2976 |



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 soy futures settled higher, rekindling the market's upward momentum, as strong demand and tight supplies continued to underpin prices. CBOT March soy settled 15 cents or 1% higher at \$14.13 a bushel.

Spot Market Analysis: Soybean

Soybean prices moved up in domestic cash markets tracking gains in international vegoil markets Tuesday.

Soybean arrivals in Madhya Pradesh are reported slightly higher at 1.10 lakh bags (90 kg each) compared to the previous day's 1.0 lakh bags. However, at Indore mandi the arrivals remained steady at 4000 bags.

- No aggressive buying is reported at current high prices, in the local market, a normal regular demand from plants and crushers in soybeans is witnessed in key physical markets.
- At international front, a strong demand and tight supplies continue to lend support to the soybean markets, eventually supporting the local bean market.
- However, improved weather with rains over dry soybean growing regions of South America is to be seen as one of the major bearish factors.
- Reportedly, Brazilian soybean exports in January will be smaller than expected, due to considerable harvest delays.
- Global soy prices have been moving up sharply since September last year due to strong Chinese demand and concerns over drought over the South American crops.
- 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.
- 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 cash markets witnessed steady sentiments in the absence of trade in BMD CPO. The BMD CPO remained closed on Tuesday due to the holiday.

Arrivals of the seed in Rajasthan are reported slightly lower at 55,000 bags (85 kg each) compared to the previous day's level of 65,000 bags.

- The total area covered under rabi oilseeds, as on January 28 2011, stands at 94.05 lakh ha compared to 90.82 lakh ha in the same period last year. The rise in area (3.6%) under the oilseeds is expected to increase the production.
- 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 Mln ha vs 6.5 Mln ha as good rains ensured healthy soil moisture.
- 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%.
- Insufficient production and strong demand have resulted in a rapid drawdown of rapeseed and canola stocks worldwide. 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 | | 01-02-11 | 31-01-11 | |
| | Indore -P | 2425-2465 | 2400-2450 | +15 |
| | Indore -M | 2325-2380 | 2280-2340 | +40 |
| | Nagpur - M | 2380-2440 | 2340-2390 | +10 |
| | Kota - M | 2330-2400 | 2325-2370 | +30 |
| Rapeseed/Mustard | Jaipur - C | 2850 | 2850 | Unch |
| | Alwar - C | 2700 | 2700 | Unch |
| | Delhi- C | 2725 | 2725 | Unch |
| Groundnut (In Shell) | Rajkot | 580 | 585 | -5 |
| Sunflower Seed | Latur | - | 2800-3200 | - |

*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 01.02.11

| Country/ Continent | Currency | Value in Rupees - 01.02.11 | Value in Rupees - 31.01.11 |
|--------------------|----------------|----------------------------|----------------------------|
| USA | Dollar | 45.81 | 45.95 |
| Europe | Euro | 62.84 | 62.54 |
| Japan | Yen | 55.95 | 56.02 |
| Britain | Pound Sterling | 73.58 | 72.95 |

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