

SOYBEAN**Technical Analysis:**

- Soybean chart depicts strong 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 Thursday's session.*

Trade Recommendation – Soybean NCDEX (Mar)

| Call | Entry | T1 | T2 | SL |
|----------------------|-------|--------|------|------|
| BUY | >2580 | 2590 | 2595 | 2575 |
| Support & Resistance | | | | |
| S2 | S1 | PCP | R1 | R2 |
| 2520 | 2534 | 2584.5 | 2591 | 2605 |

Soya Bean 1103(NCSOYH1)2011/02/02 - Daily B:2584.50 A:2585.00
 O 2537.00 H 2582.00 L 2537.00 C 2577.00 V 53,890 I 237,300 +52.5
 EMA(9) 2529.3 (18) 2519.1

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

- Mustard seed chart depicts slight gains in the market.
- Prices closed above 9-day and 18-day EMA supporting bullish momentum in near and medium-term.
- RSI is rising in neutral region while stochastic is easing in neutral zone.
- *Mustard seed prices are likely to move up on Thursday's session.*

Trade Recommendation – Rapeseed NCDEX (Apr)

| Call | Entry | T1 | T2 | SL |
|----------------------|-------|------|------|------|
| BUY | >2957 | 2967 | 2972 | 2952 |
| Support & Resistance | | | | |
| S2 | S1 | PCP | R1 | R2 |
| 2931 | 2943 | 2962 | 2976 | 2987 |

RMSEED 1104(NCRMJ1)2011/02/02 - Daily B:2961.00 A:2962.00
 O 2948.00 H 2971.00 L 2948.00 C 2957.00 V 48,310 I 70,610 +20
 EMA(9) 2950.1 (18) 2941.2

**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 rallied to new 2 1/2 year highs, as fresh export demand, and an Argentina port strike rekindled bullish perceptions of tightening supply forecasts. CBOT March soy settled 25 cents or 1.8% higher at \$14.38 a bushel.

Spot Market Analysis: Soybean

Soybean plant delivery prices witnessed gains in benchmark, Indore, while mandi prices seen lower Wednesday.

Soybean arrivals in Madhya Pradesh are reported significantly lower at 0.50 lakh bags (90 kg each) compared to the previous day's 1.10 lakh bags. No arrivals were reported at Indore mandi.

- Dull trade activity is reported in the major cash markets due to *Amavasya* and eventually lower arrivals reported.
- 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 soybean 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 moved up on firm global cues Wednesday. Higher Malaysian palm oil remained supportive factor for the seed market.

Arrivals of the seed in Rajasthan are reported slightly higher at 60,000 bags (85 kg each) compared to the previous day's level of 55,000 bags.

- The stock position of Rapeseed at NCDEX warehouses as on 1 February 2011 stands at 51,988 MT (Dematted).
- 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 lt in 2010-11 vs 55 lt 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.
- Global oilseed ending stocks for 2010/11 are reduced 2 Mln T to 68.3 Mln 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 Mln T, down 2.3 Mln from last month – USDA.
- Global rapeseed production is projected at 58.4 Mln T, up 1.2 Mln 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 and bullish global vegoil scenario this year. However, expected higher domestic output of the seed this season may limit the gains.

Oilseed Prices at Key Markets

| Commodity | Centre | Prices | | Change |
|----------------------|------------|-----------|-----------|--------|
| | | 02-02-11 | 01-02-11 | |
| Soybean | Indore -P | 2480-2500 | 2425-2465 | +35 |
| | Indore -M | 2380-2440 | 2325-2380 | -40 |
| | Nagpur - M | 2420-2460 | 2380-2440 | +20 |
| | Kota - M | 2380-2430 | 2330-2400 | +30 |
| Rapeseed/Mustard | Jaipur - C | 2860 | 2850 | +10 |
| | Alwar - C | 2700 | 2700 | Unch |
| | Delhi- C | 2740 | 2725 | +15 |
| Groundnut (In Shell) | Rajkot | 580 | 580 | Unch |
| Sunflower Seed | Latur | | - | - |

*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 02.02.11

| Country/ Continent | Currency | Value in Rupees - 02.02.11 | Value in Rupees - 01.02.11 |
|--------------------|----------------|----------------------------|----------------------------|
| USA | Dollar | 45.63 | 45.81 |
| Europe | Euro | 63.16 | 62.84 |
| Japan | Yen | 55.99 | 55.95 |
| Britain | Pound Sterling | 73.72 | 73.58 |

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