

Oilseed Summary

Oilseed prices are expected to feature downward pressure consequent to new crop mustard seed arrivals and expected decline in export demand for soy meal. With South American exporters marketing new crop soy meal aggressively, demand for Indian meal is likely to diminish.

Spot Market Analysis: Rapeseed/Mustard Seed

Mustard seed prices declined in physical market on weak global cues and expected higher domestic mustard seed output this season.

Arrivals of the seed in Rajasthan are reported steady at 60,000 bags (85 kg each) compared with previous day's level. However, arrivals of about 1 lakh bags were reported in the corresponding period last year.

- Overall weak demand in the mustard oil continues to pressure the mustard seed prices.
- Weak demand in the mustard oil noticed in Jammu and Kashmir, West Bengal, Jharkhand and Bihar which are the major consumers of the oil.
- Besides, the mustard oil prices remained firm compared to the corresponding period last year. The mustard oil price in Mumbai stood at around Rs.470-472 per 10 kg last year compared to current price level of Rs.620-622 per 10 kg.
- No major offtake in the mustard seed reported by the millers on expectation of further decline in the seed prices with new crop arrival pressure in days ahead.
- In Madhya Pradesh about 8-12 thousand bags new crop arrivals are reported compared to 5-8 thousand bags in the corresponding period last year.

Mustard seed prices are likely to remain range weak on higher domestic output estimates this season. Besides, poor demand in rapeseed oil is weighing on the mustard seed price.

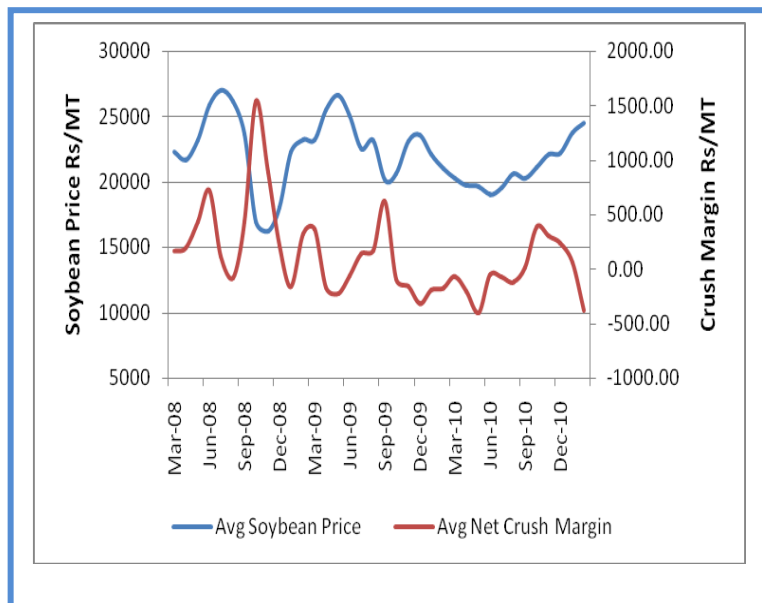
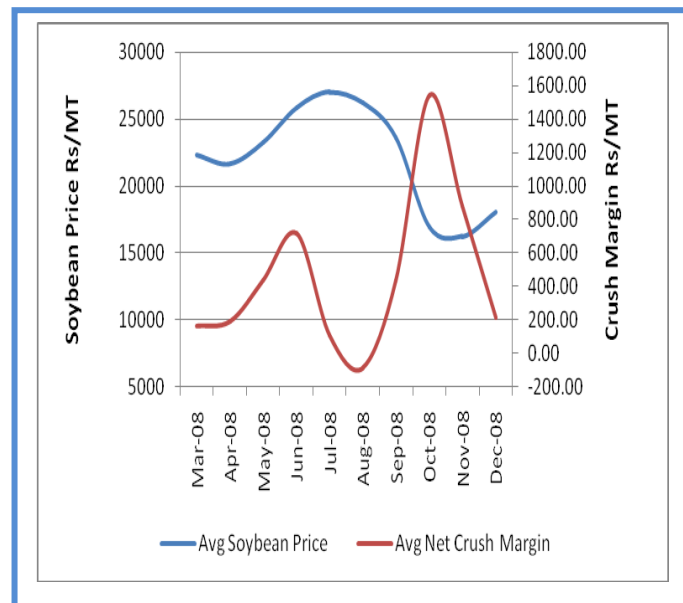
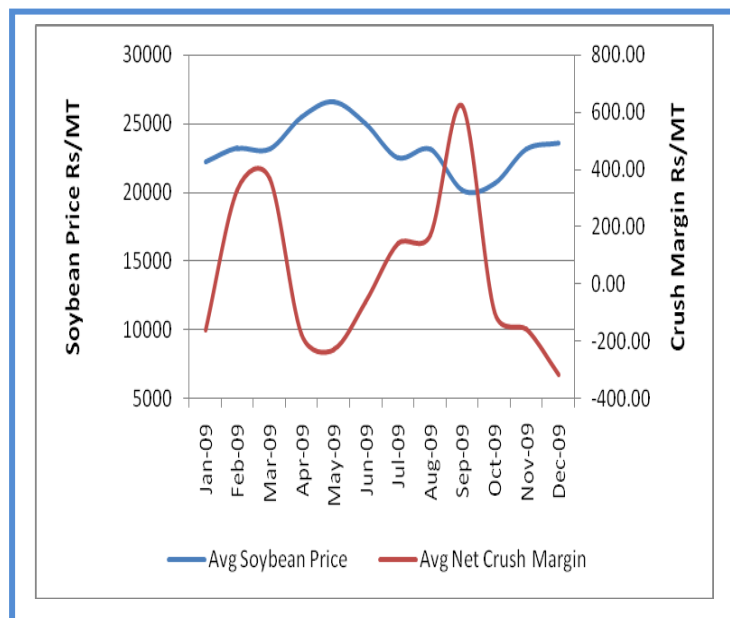
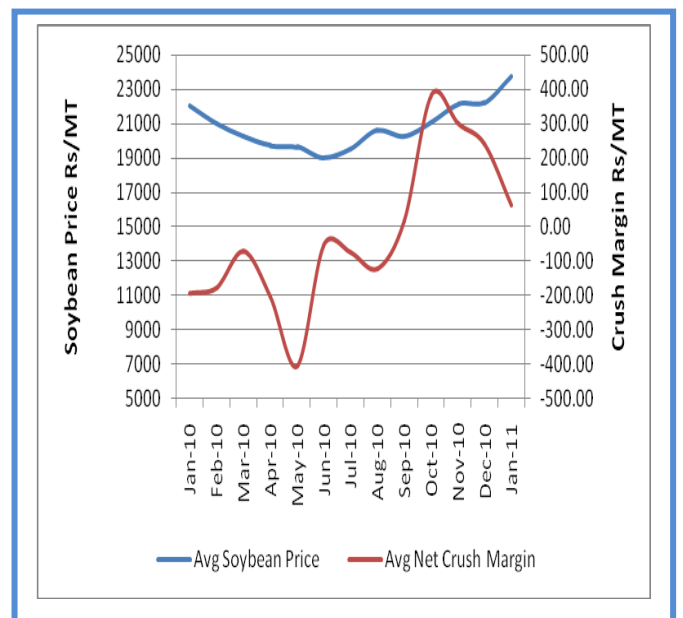
Spot Market Analysis: Soybean

Soybean prices in physical market declined tracking losses in international vegoil market coupled with weak overseas soy meal demand Wednesday.

Soybean arrivals in Madhya Pradesh are reported steady at 40-45 thousand bags as compared with previous day's level.

- No fresh deal in Indian origin soy meal reported on Wednesday.
- Crushers kept themselves away from the market on expectations of further decline in the bean prices in conjunction of poor demand in meal.
- A gap in soy meal buyer and seller noticed at Rs.18400/MT, buyer and Rs.18600/MT, seller.
- The lowest quotation for soy meal (Ex-Factory, Neemuch) is reported at Rs16800/MT followed by Rs.17150/MT (Ex-Factory, Kota).
- Brazil's soybean production prospects are reportedly excellent and a record crop of 71-72 Mn T is likely (against 68.7 Mn T in 2010) – Oil World.

Soybean prices are likely to face downward pressure with new crop arrivals in Brazil and Argentina, which is yet to pick-up. However, any fresh demand in soy meal, of Indian origin, for loading vessels in port, will lend support to the domestic soybean price.

Crush margin Vs Soybean (2008 till date)

Crush margin Vs Soybean (2008)

Crush margin Vs Soybean (2009)

Crush margin Vs Soybean (2010 till date)


SOYBEAN

Technical Analysis:

- Candlestick chart pattern denote selling pressure in the market.
- Close below 9-day and 18-day EMA indicate bearish momentum in near and medium-term.
- RSI is easing in oversold region while stochastic is declining in neutral zone.
- **The soybean prices are likely to fall on Thursday's session.**

Trade Recommendation – Soybean NCDEX (Mar)

Call	Entry	T1	T2	SL
SELL	<2402	2398	2393	2407
Support & Resistance				
S2	S1	PCP	R1	R2
2347	2371	2396.5	2456	2475



RAPSEED

Technical Analysis:

- Candlestick chart pattern reveals strong selling pressure in the market.
- Prices closed below 9-day and 18-day EMA supporting bearish momentum in near and medium-term.
- MACD is declining in negative territory.
- RSI is easing in neutral region while stochastic is rising in oversold zone.
- **Mustard seed prices are expected to fall on Thursday's session.**

Trade Recommendation – Rapeseed NCDEX (Apr)

Call	Entry	T1	T2	SL
SELL	<2889	2879	2874	2894
Support & Resistance				
S2	S1	PCP	R1	R2
2836	2856	2884	2941	2958



NCDEX RM Seed Price Spread

NCDEX Spread	May	Jun	Jul
Apr	38	82	124
May	0	44	86
Jun	44	0	42
Jul	86	42	0

*Far Month Contract Vs Near Month Contract.

NCDEX Soy Seed Price Spread

NCDEX Spread	Apr	May	Jun
Mar	30.5	63	92
Apr	0	32.5	61.5
May	32.5	0	29
Jun	61.5	29	0

*Far Month Contract Vs Near Month Contract.

Oilseed Prices at Key Markets

Commodity	Centre	Prices (Rs/Qtl)		Change	Arrivals (Bags)		Change
		23/2/2011	22/2/2011		23/2/2011	22/2/2011	
Soybean	Indore -P	2350-2390	2400-2450	-60			
	Indore -M	2260-2320	2310-2360	-30			
	Arrivals in Madhya Pradesh				40000	45000	-5000
	Nagpur-P	2350-2400	2400-2450	-50	-	-	-
	Nagpur - M	2300-2350	2340-2380	-30			
	Kota-P	2340-2360	2400-2420	-60			
	Kota - M	2225-2275	2330-2385	-90			
	Jaipur - C	2870	2885-2890	-20			
	Alwar - C	2725	2775-2780	-55			
	SriGanganagar	2500	2500	Unch			
Rapeseed/Mustard	Kota	2500	2500-2550	-50			
	Neewai	2825	2850	-25			
	Ramganj						
	Baran						
	Arrivals in Rajasthan				60000	60000	Unch
	Delhi- C	2825	2835	-10			
	Katni (MP)						
Groundnut (In Shell)	Hapur (UP)	2790	2760	+30			
	Rajkot		605			10000	
Sunflower Seed	Latur	2700-3300	2850-3450	-150	2000	2500	-500

*P – Plant Delivery Prices, M – Mandi Prices, , Soybean Prices are in INR/bag. (1 bag=90 kg). Mandi prices – Loose, Mustard Seed Prices are in INR/bag (1 bag=85 kg) C – Condition (42%), *Groundnut (In Shell) in Rs/20 kg, Sunflower Seed in Rs/qtl.

Other Oilseeds (Mumbai) 23-Feb11 22-Feb-11 Change

Niger Seed (4% FM)	3075	3100	-25
Sesame White 98/2/1 FM	5250	5250	Unch
Sunflower Seed	3500	3500	Unch
Kardi Seed 2% Exp Quality	2575	2575	Unch
Groundnut Kernel	3750	3775	-25
Castor Seed	5850	5850	Unch

Prices are in INR/100 kg.

FOREX RATES as on 22.02.11

Count	Currency	Value in Rupees - 23.02.11	Value in Rupees - 22.02.11
ry/Continent			
USA	Dollar	45.20	45.20
Europe	Euro	61.88	61.4
Japan	Yen	54.68	54.25
Britain	Pound Strlg.	73.16	73.07

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