

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 extended losses on weak buying in physical market followed by decline in mustard oil demand Thursday.

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

- Millers seemed less active in the mustard seed market on expectation of lower prices with rising new crop arrivals in physical markets in days ahead.
- According to the trade sources, the carry out stock of the old crop seed is expected between 5-6 lakh tones down compared to 7-8 lakh tones of previous season.
- Slack in mustard oil demand from major consuming regions pressured the mustard seed prices.
- New mustard crop arrivals are likely to pick-up in coming days which will further mount pressure on the seed prices.

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

Spot Market Analysis: Soybean

Soybean prices in physical market noticed weak sentiments on sluggish demand in beans from crushers followed by poor overseas soy meal demand.

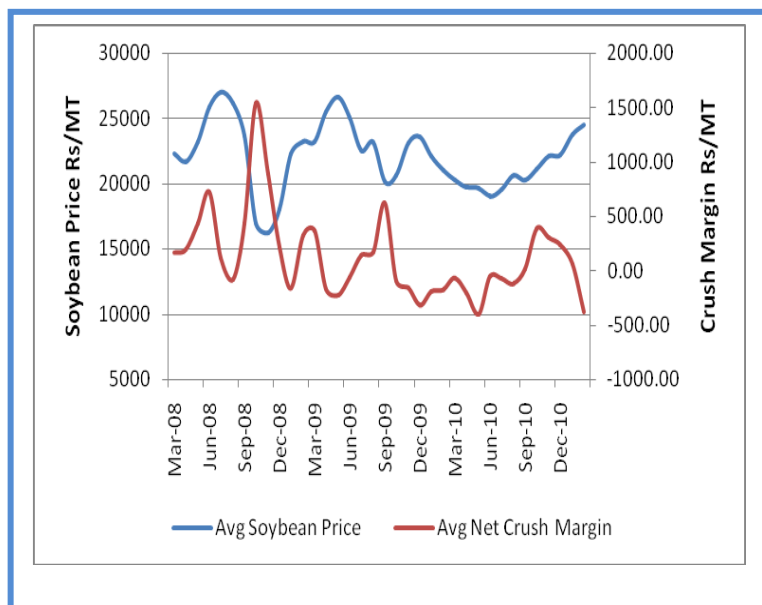
Soybean arrivals in Madhya Pradesh are reported higher at 55-60 thousand bags compared to the previous day's level of 50-55 thousand bags.

- As per mandi committee data, about 4,397,487 bags of soybean arrivals are registered in various mandis of Madhya Pradesh till 31 January.
- About 23 lakh tones of soybean arrived in various mandis of Maharashtra and Rajasthan.
- An odd 48 lakh tones of the beans is reportedly crushed followed by 22 lakh tones in hand with plants and traders. The balance figure of 30 lakh tones is with cultivators.
- Traders expect about 10-12 lakh tones of soybean carry out to next season.
- No fresh deal in soy meal noticed consecutive second day.
- Weak domestic demand in soy meal from poultry feed industry remained negative factor for the soy meal price.
- The international buyers are diverting their meal demand towards South America on expectations of competitive price their on the back of new crop arrivals, resulting negative affect in Indian origin soy meal exports and their prices.
- China's soybean imports in March are forecasted at 3.16 million metric tones compared to expected 3.17 million metric tons in February.

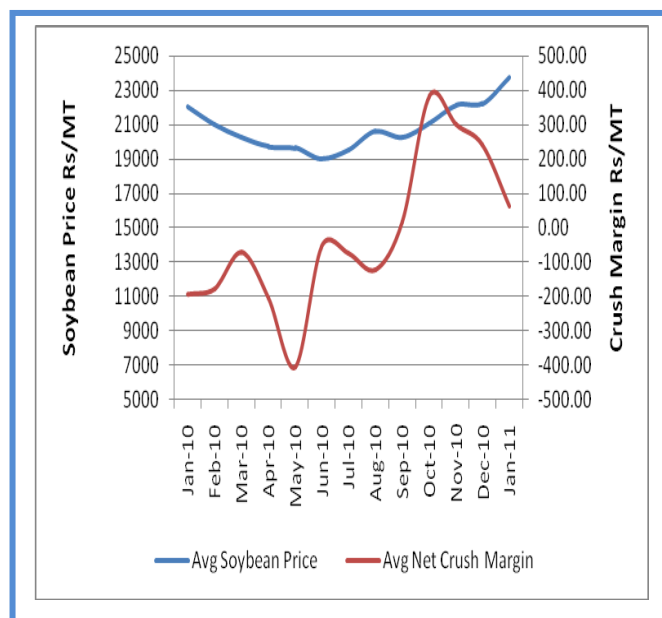
Soybean prices are likely to face downward pressure with new crop arrivals in Brazil and Argentina, which is yet to pick-up. However, any fresh demand in soy meal, of Indian origin, for loading vessels in port, will lend support to the domestic soybean price.

Center	Arrivals in Bag	Center	Arrivals in Bag
Indore	2000	Mandsaur	3000
Dhar	1000	Neemuch	3000
Ujjain	1000	Khandwa	1000
Badenagar	1500	Khategaon	-
Ratlam	500	Dewas	2500
Jaora	1500	Bhopal Region	30000

Crush margin Vs Soybean Price/MT (2008 till date till date)



Crush margin Vs Soybean Price/MT (2010)



SOYBEAN

Technical Analysis:

- Candlestick chart pattern denote both sided price movement 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 Friday's session.**

Trade Recommendation – Soybean NCDEX (Mar)

Call	Entry	T1	T2	SL
SELL	<2392	2382	2377	2397
Support & Resistance				
S2	S1	PCP	R1	R2
2330	2347	2387	2420	2434



RAPESEED

Technical Analysis:

- Candlestick chart pattern depicts "Doji" suggestive of indecision 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 Friday's session.**

Trade Recommendation – Rapeseed NCDEX (Apr)

Call	Entry	T1	T2	SL
SELL	<2891	2881	2876	2896
Support & Resistance				
S2	S1	PCP	R1	R2
2827	2847	2876	2902	2918



NCDEX RM Seed Price Spread

NCDEX Spread	Apr	May	Jun	Jul
Apr	0	38	87	132
May	38	0	49	94
Jun	87	49	0	45
Jul	132	94	45	0

*Far Month Contract Vs Near Month Contract.

NCDEX Soy Seed Price Spread

NCDEX Spread	Mar	Apr	May	Jun
Mar	0	36	59.5	88
Apr	36	0	23.5	52
May	59.5	23.5	0	28.5
Jun	88	52	28.5	0

*Far Month Contract Vs Near Month Contract.

Oilseed Prices at Key Markets

Commodity	Centre	Prices (Rs/Qtl)		Change	Arrivals (Bags)		Change
		24/2/2011	23/2/2011		24/2/2011	23/2/2011	
Soybean	Indore -P	2350-2380	2350-2390	-10			
	Indore -M	2250-2300	2260-2320	-20			
	Arrivals in Madhya Pradesh				40000	40000	Unch
	Nagpur-P		2350-2400		-	-	-
	Nagpur - M		2300-2350				
	Kota-P		2340-2360				
	Kota - M		2225-2275				
	Jaipur - C	2850-2855	2870	-15			
	Alwar - C	2700	2725	-25			
	SriGanganagar	2500	2500	Unch			
Rapeseed/Mustard	Kota		2500				
	Neewai		2825				
	Ramganj						
	Baran						
	Arrivals in Rajasthan				60000	60000	Unch
	Delhi- C	2830	2825	+5			
	Katni (MP)						
	Hapur (UP)	2790	2790	Unch			
	Rajkot	6000	605	-5	10000	10000	Unch
	Latur	2700-3300	2700-3300	Unch	1500	2000	-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) 24-Feb11 23-Feb-11 Change

Niger Seed (4% FM)	3175	3075	-100
Sesame White 98/2/1 FM	5250	5250	Unch
Sunflower Seed	3600	3500	+100
Kardi Seed 2% Exp Quality	2575	2575	Unch
Groundnut Kernel	3750	3750	Unch
Castor Seed	5750	5850	-100

Prices are in INR/100 kg.

FOREX RATES as on 22.02.11

Count	Currency	Value in Rupees - 24.02.11	Value in Rupees - 23.02.11
USA	Dollar	45.37	45.20
Europe	Euro	62.39	61.88
Japan	Yen	55.28	54.68
Britain	Pound Strlg.	73.54	73.16

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