

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 in further days.

Spot Market Analysis: Rapeseed/Mustard Seed

Mustard seed prices shown mixed sentiment at major cash markets on slight improvement in the purchases from the millers.

Mustard seed arrivals at Rajasthan mandies continued to remain steady and reported at 60,000 bags (85 kg each) compared with previous day's level.

- Millers remained inactive in the mustard seed market on expectation of lower prices with rising new crop arrivals in physical markets in days ahead. Improved purchases from millers may expect in short to medium term on declining prices of mustard.
- As per the data from SEA, area under rapeseed-mustard crop increased by 7.19 lakh hectares, while the production is expected to increase by 9.3 lakh tonnes. In crop year 2009-10, area under mustard was reduced by 29% in comparison with 2008-09 area.
- Higher area under mustard crop is weighing on market sentiments and by which prices may remain at subdued levels.
- As per SEA's survey, maturity of the mustard crop is late by 2 to 3 weeks this year due to late sowing.
- As a result of mild showers in Northern India coupled with fall in temperature would be greatly beneficial to the standing mustard crop.
- 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 firm sentiment on slight improvement in purchases from the crushers at lower prices.

Soybean arrivals in Madhya Pradesh are reported at 40 thousand bags which is down by 15-20 thousand bags compared to the previous day's level of 55-60 thousand bags.

- Soybean prices at domestic market were up by Rs. 20-25/qtl on better buying inquiries from the crushers amid reduced arrival levels compared to the previous days.
- 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.
- Improved weather conditions in Argentina have raised hopes of an increase in soya bean crop size while there is expectation that China may slowdown soybean imports in the coming months may reduce the pressure on bean prices at international markets.
- Argentina's soybean crop, the world's third largest producer, may be 4 percent higher than last week's forecast at 48.8 million tons after recent rainfall.
- 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.

SOYBEAN

Technical Analysis:

- Candlestick chart pattern indicates bullish sentiment in short term.
- Prices closed below by 9-day and 18-day EMA, indicating bearish momentum in near.
- RSI is moving up in neutral zone and indicating bullish sentiment in short term.
- MACD indicating bearish sentiment and moving in negative zone.

The soybean prices may continue to trade with bullish sentiment on Saturday's session. Market participants are advised to go for selling from higher levels.

Trade Recommendation – Soybean NCDEX (Mar)

Call	Entry	T1	T2	SL
SELL	<2426	2415	2408	2437
Support & Resistance				
S2	S1	PCP	R1	R2
2380	2391	2408	2428	2440



RAPESEED

Technical Analysis:

- Candlestick chart pattern depicts bullish sentiment in the market.
- Prices closed below 9-day and 18-day EMA indicating bearish momentum in short term.
- MACD is moving in negative territory indicating bearish sentiment for short term.
- RSI is moving up in neutral zone indicating bullish sentiment.

The Mustard prices expected to trade with bullish sentiment on Saturday's session. Market participants are advised to go for selling form higher levels.

Trade Recommendation – Rapeseed NCDEX (Apr)

Call	Entry	T1	T2	SL
SELL	<2912	2900	2890	2921
Support & Resistance				
S2	S1	PCP	R1	R2
2866	2886	2887	2913	2939



NCDEX RM Seed Price Spread

NCDEX Spread	Apr	May	Jun	Jul
Apr	0	41	83	108
May	41	0	42	67
Jun	83	42	0	25
Jul	108	67	67	0

*Far Month Contract Vs Near Month Contract.

NCDEX Soy Seed Price Spread

NCDEX Spread	Mar	Apr	May	Jun
Mar	0	42	72	93
Apr	42	0	30	51
May	72	30	0	21
Jun	93	51	21	0

*Far Month Contract Vs Near Month Contract.

Oilseed Prices at Key Markets

Commodity	Centre	Prices (Rs/Qtl)		Change	Arrivals (Bags)		Change
		25/2/2011	24/2/2011		25/2/2011	24/2/2011	
Soybean	Indore -P	2350-2400	2350-2380	+20			
	Indore -M	2250-2320	2250-2300	+20			
	Arrivals in Madhya Pradesh				40000	40000	Unch
	Nagpur-P	2340-2380	2350-2400	+20	-	-	-
	Nagpur - M	2260-2320	2300-2350	+30			
	Kota-P	2340-2365	2360-2390	+25			
	Kota - M	2260-2315	2240-2300	+15			
	Arrivals in Maharashtra				30000	30000	Unch
Rapeseed/Mustard	Jaipur - C	2850-2850	2850-2855	-5			
	Alwar - C	2725-2750	2700	+50			
	SriGanganagar	2450	2500	-50			
	Kota	2550	2500	+50			
	Neewai	2810	2825	-15			
	Ramganj						
	Baran						
	Arrivals in Rajasthan				60000	60000	Unch
	Delhi- C	2830	2830	Unch			
	Katni (MP)						
Groundnut (In Shell)	Hapur (UP)	2800	2790	+10			
Sunflower Seed	Rajkot	NA	600	-	NA	10000	-
Sunflower Seed	Latur	NA	2700-3300	-	NA	1500	-

*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) 25-Feb11 24-Feb-11 Change

Niger Seed (4% FM)	3100	3175	-75
Sesame White 98/2/1 FM	5250	5250	Unch
Sunflower Seed	3600	3600	Unch
Kardi Seed 2% Exp Quality	2575	2575	Unch
Groundnut Kernel	3775	3750	+25
Castor Seed	5800	5750	+50
Prices are in INR/100 kg.			

FOREX RATES as on 25.02.11

Country/ Continent	Currency	Value in Rupees	
		25.02.11	24.02.11
USA	Dollar	45.37	45.37
Europe	Euro	62.68	62.39
Japan	Yen	55.34	55.28
Britain	Pound Strlg.	73.24	73.54

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