

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 days ahead.

Spot Market Analysis: Rapeseed/Mustard Seed

Mustard seed prices witnessed steady to firm tone tracking gains in international vegoil market.

Mustard seed arrivals in Rajasthan mandis rose and reported at 70,000 thousand bags compared to 60,000 bags a day earlier.

- Normal regular demand is noticed in the seed market. Primarily millers are the buyers.
- However, lack of aggressive buying in the market restricted the gains in the seed price.
- Majority of the millers refrained themselves from the market on expectation of lower prices with upcoming arrival pressure in days ahead.
- Higher output estimates in the seed with the increase in sown area (7.24 Mln Ha vs 65.28) remain a negative factor for the market.
- 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 markets witnessed gains on supported by higher international soybean market.

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

- Sluggish overseas soy meal demand, of Indian origin, in conjunction with poor domestic meal demand from poultry feed industry restricted the gains in the beans.
- 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 soybean 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 depicts upwards move in the soybean price.
- Prices closed below by 9-day and 18-day EMA, indicating bearish momentum in near.
- RSI and stochastic are rising in neutral region.

The soybean prices may continue to trade with bullish sentiment on Monday's session.

Trade Recommendation – Soybean NCDEX (Mar)

Call	Entry	T1	T2	SL
BUY	>2435	2445	2450	2430
Support & Resistance				
S2	S1	PCP	R1	R2
2380	2411	2440	2465	2480



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 while stochastic is rising in oversold region.

The Mustard prices expected to move up on Monday's session.

Trade Recommendation – Rapeseed NCDEX (Apr)

Call	Entry	T1	T2	SL
BUY	>2907	2917	2922	2902
Support & Resistance				
S2	S1	PCP	R1	R2
2864	2882	2912	2927	2952



NCDEX RM Seed Price Spread

NCDEX Spread	Apr	May	Jun	Jul
Apr	0	39	83	128
May	39	0	44	89
Jun	83	44	0	45
Jul	128	89	45	0

*Far Month Contract Vs Near Month Contract.

NCDEX Soy Seed Price Spread

NCDEX Spread	Mar	Apr	May	Jun
Mar	0	41	75	98
Apr	41	0	34	57
May	75	34	0	23
Jun	98	57	23	0

*Far Month Contract Vs Near Month Contract.

Oilseed Prices at Key Markets

Commodity	Centre	Prices (Rs/Qtl)		Change	Arrivals (Bags)		Change
		26/2/2011	25/2/2011		26/2/2011	25/2/2011	
Soybean	Indore -P	2400-2450	2350-2400	+50			
	Indore -M	2300-2360	2250-2320	+40			
	Arrivals in Madhya Pradesh				40000	40000	Unch
	Nagpur-P	-	2340-2380		-	-	-
	Nagpur - M	-	2260-2320				
	Kota-P	-	2340-2365				
	Kota - M	-	2260-2315				
	Arrivals in Maharashtra				30000	30000	Unch
Rapeseed/Mustard	Jaipur - C	2860-2870	2850-2850	+20			
	Alwar - C	2700-2775	2725-2750	+25			
	SriGanganagar	2450	2450	Unch			
	Kota		2550				
	Neewai	2830	2810	+20			
	Ramganj						
	Baran						
	Arrivals in Rajasthan				60000	60000	Unch
	Delhi- C	2825	2830	-5			
	Katni (MP)						
Groundnut Seed	Hapur (UP)	2810	2800	+10			
	Rajkot	600	600	Unch	10000	10000	Unch
Sunflower Seed	Latur	2800-3500	Closed	-	2000	Closed	-

*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) 26-Feb11 25-Feb-11 Change

Niger Seed (4% FM)	3100	3100	Unch
Sesame White 98/2/1 FM	5250	5250	Unch
Sunflower Seed	3600	3600	Unch
Kardi Seed 2% Exp Quality	2575	2575	Unch
Groundnut Kernel	3750	3775	-25
Castor Seed	5575	5800	-25
Prices are in INR/100 kg.			

FOREX RATES as on 25.02.11

Country/ Continent	Currency	Value in Rupees	
		26.02.11	25.02.11
USA	Dollar	45.25	45.37
Europe	Euro	62.19	62.68
Japan	Yen	55.38	55.34
Britain	Pound Strlg.	72.86	73.24

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