

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 mostly witnessed steady sentiments on absence of fresh buying in the seed Friday.

Mustard seed arrivals in Rajasthan mandis declined and reported at 70,000 thousand bags compared to 80,000 bags previous day.

- Regular normal buying in the seed reported in the major centers Friday. The demand in mustard oil remain steady.
- Alwar the largest mustard seed producing district in Rajasthan has witnessed new crop arrivals and today it is reported at 600-700 bags compared to 700-800 bags a day earlier.
- The bulk buyers are expecting the seed prices to come down with the pick-up in the arrivals.
- In a latest development Alwar has reported an arrival of about 800 bags of new crop seed.
- Rains over the north and north-western mustard seed growing regions may adversely affect the seed crop as in most of the places it is nearing harvest.
- The major buyers of the seed are millers. Stockists refrained themselves away from the seed market.
- The Chinese government sold all of the 100 Thd T of rape oil offered from state reserve in an effort to raise domestic supplies and curb the food price inflation.
- Canadian canola crushings reached 508 Thd T in January (against 407 a year earlier).

Mustard seed prices are likely to face downwards pressure on new crop arrivals. Higher output estimates continue to weigh on the seed prices. Besides, dull activity in the market is attributed to poor demand in rapeseed oil.

Spot Market Analysis: Soybean

Soybean prices remained steady to firm in benchmark, Indore with dull trade activity in the major centers Friday.

Soybean arrivals in Madhya Pradesh declined and reported at 20 thousand bags compared to 40 thousand a day earlier.

- Weak buying activity noticed in major centers in Madhya Pradesh due to Amavasya.
- The Indore mandi remained closed and no arrivals reported in the center.
- Again there is no report on any fresh forward deal in the meal.
- According to the trade source India expects to export 2.5 -3 lt of soy meal in March while in April the export for the same is likely to decline further to 1.5 lt.
- Shift in soy meal demand from India to South America due to competitive price has significantly affected India's exports.
- This is expected to impact on Indian soy meal exports and pressure the prices in days ahead.

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 reveals selling buying support in the market.
- Prices closed above by 9-day EMA, indicating bullish momentum in near -term.
- RSI and stochastic are rising in neutral zone.

The soybean prices are likely to gain in Saturday's session.

Trade Recommendation – Soybean NCDEX (Apr)

Call	Entry	T1	T2	SL
BUY	>2478	2488	2493	2473
Support & Resistance				
S2	S1	PCP	R1	R2
2431	2451	2482.5	2496	2510

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

- Candlestick chart pattern depicts side-ways move in the market.
- Prices closed below 9-day and 18-day EMA indicating bearish momentum in near and medium-term.
- MACD is declining in negative territory indicating bearish sentiment for short term.
- RSI is rising in neutral zone while stochastic are easing in neutral region.

The Mustard prices are expected to move side-ways in Saturday's session.

Trade Recommendation – Rapeseed NCDEX (Apr)

Call	Entry	T1	T2	SL
WAIT	-	-	-	-
Support & Resistance				
S2	S1	PCP	R1	R2
2827	2842	2885	2905	2920

**NCDEX RM Seed Price Spread**

NCDEX Spread	Apr	May	Jun	Jul
Apr	0	42	84	115
May	42	0	42	73
Jun	84	42	0	31
Jul	115	73	31	0

*Far Month Contract Vs Near Month Contract.

NCDEX Soy Seed Price Spread

NCDEX Spread	Mar	Apr	May	Jun
Mar	0	42.5	71	90
Apr	42.5	0	28.5	47.5
May	71	28.5	0	19
Jun	90	47.5	19	0

*Far Month Contract Vs Near Month Contract.

Oilseed Prices at Key Markets

Commodity	Centre	Prices (Rs/Qtl)		Change	Arrivals (Bags)		Change
		04/3/2011	03/03/2011		04/3/2011	03/03/2011	
Soybean	Indore -P	2400-2440	2410-2435	+5			
	Indore -M	2300-2360	2300-2360	Unch			
	Arrivals in Madhya Pradesh				20000	40000	-20000
	Nagpur-P	2400-2450	2410-2450	Unch			
	Nagpur - M	2300-2400	2360-2415	-15			
	Kota-P	2390-2415	2400-2420	-5			
	Kota - M	2300-2350	2325-2365	-15			
Rapeseed/Mustard	Jaipur - C	2850	2860	-10			
	Alwar - C	2750	2750	Unch			
	SriGanganagar	2425	2450	-25			
	Kota	2550	-	-			
	Neewai	2825	2800	+25			
	Ramganj						
	Baran						
	Arrivals in Rajasthan				70000	70000	Unch
	Delhi- C	2850	2850	Unch			
	Katni (MP)						
Groundnut Seed	Hapur (UP)	2800	2800	Unch			
	Rajkot	600	600	Unch	10000	10000	Unch
Sunflower Seed	Latur	Closed	2700-3400	Closed	Closed	1000	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/ql.

Other Oilseeds (Mumbai) 4-Mar-11 03-Mar-11 Change

Niger Seed (4% FM)	3200	3200	Unch
Sesame White 98/2/1 FM	5175	5100	+75
Sunflower Seed	3500	3600	-100
Kardi Seed 2% Exp Quality	2575	2575	Unch
Groundnut Kernel	3775	3775	Unch
Castor Seed	4350	5450	-100
Prices are in INR/100 kg.			

FOREX RATES as on 03.03.11

Country/ Continent	Currency	Value in Rupees	
		04.03.11	03.03.11
USA	Dollar	44.99	44.96
Europe	Euro	62.80	62.33
Japan	Yen	54.64	54.93
Britain	Pound Strlg.	73.23	73.37

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