

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 weak sentiments on catching up new crop arrivals in the spot market.

Mustard seed arrivals in Rajasthan mandis rose and reported at 120,000 thousand bags compared to 80,000 bags previous day. New crop arrival remains at 90000 bags.

- The total area sown with mustard as of March 03, 2011, stood at 72.45 lakh hectares as against 65.76 lakh hectares last year depicting a surge of 7.69 lakh hectares.
- Mustard seed production is projected at 7.2 million tonnes in 2010-11 depicting an anticipated rise of 20% from last year. The same is likely to bear an incremental impact on mustard oil availability which is projected to incorporate a surge of 4.49% in 2010-11 as compared to last year.
- The millers are and stockists are waiting for the seed prices to ease with the increase in new crop arrival pressure. The buyers are millers who are interested in crushing the seed on normal demand.
- 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 depicted weak sentiment in the domestic market.

Soybean arrivals in Madhya Pradesh improved and reported at 40 thousand bags compared to 6000 thousand a day earlier.

- On the global front, Brazil Soybean production is likely to hover near the record levels of 69 million tonnes in 2010-11, incorporating a minimal change from last year. While domestic use is projected to surge by 2.54% in 2010-11, exports are also projected to grow by 13.02 %. The same is likely to have a cooling effect on the ending stocks by about 7% in 2010-11.
- Brazil's 2010/11 soybean crop that is in early harvest is forecast at a record 72 million tonnes.
- The Argentine government is more upbeat about the country's soy output following recent rains, and sees 2010/11 soy output at above 50 million tonnes.
- There are no reports on any fresh forward deal in the soy 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 mild selling 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 trade range bound in Tuesday's session.

Trade Recommendation – Soybean NCDEX (Apr)

Call	Entry	T1	T2	SL
SELL BELOW	2500	2471	2450	2540
Support & Resistance				
S2	S1	PCP	R1	R2
2426	2450	2467	2494	2513

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

- Candlestick chart pattern depicts weakness 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 weak in Tuesday's session.

Trade Recommendation – Rapeseed NCDEX (Apr)

Call	Entry	T1	T2	SL
SELL BELOW	2850	2825	2800	2880
Support & Resistance				
S2	S1	PCP	R1	R2
2800	2820	2839	2865	2880

**NCDEX RM Seed Price Spread**

NCDEX Spread	Apr	May	Jun	Jul
April	0	42	89	137
May	42	0	47	95
Jun	89	47	0	48
Jul	137	95	48	0

*Far Month Contract Vs Near Month Contract.

NCDEX Soy Seed Price Spread

NCDEX Spread	Mar	Apr	May	Jun
Mar	0	43	77	98
Apr	43	0	34	55
May	77	34	0	21
Jun	98	55	21	0

*Far Month Contract Vs Near Month Contract.

Oilseed Prices at Key Markets

Commodity	Centre	Prices (Rs/Qtl)		Change	Arrivals (Bags)		Change
		07/3/2011	05/03/2011		07/3/2011	05/03/2011	
Soybean	Indore -P	2380-2440	2400-2450	-10			
	Indore -M	2280-2350	Closed	-			
	Arrivals in Madhya Pradesh				40000	6000	+34000
	Nagpur-P	2370-2420	2400-2440	-20			
	Nagpur - M	2310-2340	2370-2415	-75	22000	22000	-
	Kota-P	2370-2390	2400-2420	-30			
	Kota - M	2325-2360	2310-2360	-	20000	17000	+3000
Rapeseed/Mustard	Jaipur - C	2840	2860	-20			
	Alwar - C	2725	2750	-25			
	SriGanganagar	2450	2450	-			
	Kota	2500-2525	2525	-			
	Neewai	-	-	-			
	Ramganj	-	-	-			
	Baran	-	-	-			
	Arrivals in Rajasthan				120000	80000	+40000
	Delhi- C	2875	2860	+15			
	Katni (MP)	-					
	Hapur (UP)	-	2800	-			
Groundnut Seed	Rajkot	610	600	+10	10000	10000	-
Sunflower Seed	Latur	2950-3400	2800-3350	+50	1200	2000	-800

*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) 7-Mar-11 05-Mar-11 Change

Niger Seed (4% FM)	3150	3175	-25
Sesame White 98/2/1 FM	5175	5175	-
Sunflower Seed	3500	3500	-
Kardi Seed 2% Exp Quality	2550	2575	+25
Groundnut Kernel	3750	3750	-
Castor Seed	5175	5300	-125
Prices are in INR/100 kg.			

FOREX RATES as on 07.03.11

Country/ Continent	Currency	Value in Rupees	
		07.03.11	05.03.11
USA	Dollar	45.13	44.88
Europe	Euro	63.06	62.77
Japan	Yen	54.84	54.50
Britain	Pound Strlg.	73.35	72.99

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