

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 sentiments on regular buying activity in cash market Wednesday.

Mustard seed arrivals in Rajasthan were reported higher at 150,000 thousand bags compared to 125,000 bags previous day.

- The mustard seed harvesting is on in growing region and this translate into rise in arrivals in the seed in last couple of days.
- Buying support by millers restricted any fall in the seed price despite bearish supply scenario in the seed.
- Arrival pressure is likely to weigh on the seed prices in days ahead.
- 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 downward 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 mostly witnessed steady tone on normal buying in physical market Wednesday.

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

- No aggressive buying in the beans noticed, however normal hand to mouth buying featured in the market.
- The market is waiting for monthly World Agriculture Supply and Demand report on 10 th of this month.
- Recent rains in Argentina have improved the crop prospect, which was earlier negatively affected due to adverse weather conditions.
- 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.
- Brazil's 2010/11 soybean crop that is in early harvest is forecast at a record 72 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 to 1.5 lt.
- International buyers are looking at South American markets for soy meal. The demand shift in soy meal to South America is attributed to competitive price with the commencement of new crop arrivals.

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 support in the market.
- Prices closed below by 9-day and 18-day EMA, indicating bearish momentum in near and medium-term.
- RSI is easing in oversold region neutral region while stochastic is declining in neutral zone.

The soybean prices are likely to fall in Thursday's session.

Trade Recommendation – Soybean NCDEX (Apr)

Call	Entry	T1	T2	SL
SELL	<2429	2419	2414	2434
Support & Resistance				
S2	S1	PCP	R1	R2
2364	2391	2424	2444	2466

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

- Candlestick chart pattern depicts buying support 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 region while stochastic is easing in oversold region.

The Mustard prices are expected to rise in Thursday's session.

Trade Recommendation – Rapeseed NCDEX (Apr)

Call	Entry	T1	T2	SL
BUY	>2811	2821	2826	2806
Support & Resistance				
S2	S1	PCP	R1	R2
2729	2761	2816	2830	2851

**NCDEX RM Seed Price Spread**

NCDEX Spread	Apr	May	Jun	Jul
Apr	0	43	82	119
May	43	0	39	76
Jun	82	39	0	37
Jul	119	76	37	0

*Far Month Contract Vs Near Month Contract.

NCDEX Soy Seed Price Spread

NCDEX Spread	Mar	Apr	May	Jun
Mar	0	38	68	89
Apr	38	0	30	51
May	68	30	0	21
Jun	89	51	21	0

*Far Month Contract Vs Near Month Contract.

Oilseed Prices at Key Markets

Commodity	Centre	Prices (Rs/Qtl)		Change	Arrivals (Bags)		Change
		09/3/2011	08/03/2011		09/3/2011	08/03/2011	
Soybean	Indore -P	2350-2385	2360-2390	-5			
	Indore -M	2260-2300	2260-2300	Unch			
	Arrivals in Madhya Pradesh				40000	40000	Unch
	Nagpur-P	2350-2390	2350-2390	Unch			
	Nagpur - M	2300-2340	2280-2340	Unch			
	Kota-P	2330-2360	2330-2360	Unch			
	Kota - M	2280-2330	2280-2340	-10			
Rapeseed/Mustard	Jaipur - C	2800	2800	Unch			
	Alwar - C	2700	2700	Unch			
	SriGanganagar	2450	2450	Unch			
	Kota						
	Neewai	2750	2750	Unch			
	Ramganj						
	Baran						
	Arrivals in Rajasthan				150000	125000	+25000
	Delhi- C	2800	2750-2800	Unch			
	Katni (MP)						
Groundnut Seed	Hapur (UP)	2700	2675	+25			
Sunflower Seed	Rajkot	600	600	Unch	10000	10000	Unch
Sunflower Seed	Latur	2900-3300	2850-3350	-50	1000	2000	-1000

*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) 9-Mar-11 08-Mar-11 Change

Niger Seed (4% FM)	3250	3150	-100
Sesame White 98/2/1 FM	5100	5175	-75
Sunflower Seed	3500	3500	Unch
Kardi Seed 2% Exp Quality	2525	2550	-25
Groundnut Kernel	3750	3750	Unch
Castor Seed	5000	5175	-175
Prices are in INR/100 kg.			

FOREX RATES as on 08.03.11

Country/ Continent	Currency	Value in Rupees	
		09.03.11	08.03.11
USA	Dollar	45.02	45.03
Europe	Euro	62.54	62.94
Japan	Yen	54.31	54.68
Britain	Pound Strlg.	72.70	72.97

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