

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 losses in major centers on weak global cues. Fall in Malaysian palm oil and losses in CBOT soyoil remained negative factors for the seed.

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

- Rise in the seed supply and sluggish demand in mustard oil kept the seed prices lower.
- The harvesting of the new crop is adding on the arrival pressure in the cash market.
- Expected higher crop output this season continue to remain bearish factor for the seed market.
- 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 declined tracking losses in international vegoil market Thursday

Soybean arrivals in Madhya Pradesh are reported lower at 35 thousand bags compared to 35 thousand bags a day earlier.

- Disparity in crushing the beans and lower exports demand in soy meal of Indian origin pressured the soybean prices.
- The overseas soy meal demand has shifted to Latin America due to their competitive offer price.
- The local crushers/solvent extractors are facing disparity in crushing the beans due to slack in soy meal demand. The average monthly crush margin in January 2011 stood at Rs.61.23/MT compared to an average monthly crush margin of Rs. -3s24/MT in February. Currently it is hovering around Rs. -250/MT.
- The market is waiting for monthly World Agriculture Supply and Demand report due on Thursday.
- Traders are expecting higher production estimate in Argentina and Brazil in the report.
- Recent rains in Argentina have improved the crop prospect, which was earlier negatively affected due to adverse weather conditions.
- Brazil's 2010/11 soybean crop that is in early harvest is forecast at a record 72 million tonnes.
- 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.

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 strong selling pressure in the market.
- Prices closed below by 9-day and 18-day EMA, indicating bearish momentum in near and medium-term.
- RSI and stochastic are declining in neutral region.

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

Trade Recommendation – Soybean NCDEX (Apr)

Call	Entry	T1	T2	SL
SELL	<2390	2380	2375	2395
Support & Resistance				
S2	S1	PCP	R1	R2
2349	2368	2385	2437	2450



RAPESEED

Technical Analysis:

- Candlestick chart pattern depicts selling pressure 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 and stochastic are easing in oversold region.

The Mustard prices are expected to fall in Friday's session.

Trade Recommendation – Rapeseed NCDEX (Apr)

Call	Entry	T1	T2	SL
SELL	<2782	2772	2767	2787
Support & Resistance				
S2	S1	PCP	R1	R2
2731	2760	2777	2821	2840



NCDEX RM Seed Price Spread

NCDEX Spread	Apr	May	Jun	Jul
Apr	0	41	84	128
May	41	0	43	87
Jun	84	43	0	44
Jul	128	87	44	0

*Far Month Contract Vs Near Month Contract.

NCDEX Soy Seed Price Spread

NCDEX Spread	Mar	Apr	May	Jun
Mar	0	37	68	88
Apr	37	0	31	51
May	68	31	0	20
Jun	88	51	20	0

*Far Month Contract Vs Near Month Contract.

Oilseed Prices at Key Markets

Commodity	Centre	Prices (Rs/Qtl)		Change	Arrivals (Bags)		Change
		10/3/2011	09/03/2011		10/3/2011	09/03/2011	
Soybean	Indore -P	2320-2355	2350-2385	-30			
	Indore -M	2200-2260	2260-2300	-40			
	Arrivals in Madhya Pradesh				35000	40000	-5000
	Nagpur-P	2320-2350	2350-2390	-40			
	Nagpur - M	2230-2280	2300-2340	-60			
	Kota-P	2310-2320	2330-2360	-40			
	Kota - M	2240-2250	2280-2330	-80			
Rapeseed/Mustard	Jaipur - C	2790	2800	+10			
	Alwar - C	2700	2700	Unch			
	SriGanganagar	2425	2450	-25			
	Kota						
	Neewai	2725	2750	-25			
	Ramganj						
	Baran						
	Arrivals in Rajasthan				125000	150000	-5000
	Delhi- C	2770-2800	2800	Unch			
	Katni (MP)						
Groundnut Seed	Hapur (UP)	2650	2700	-50			
Sunflower Seed	Rajkot	595	600	-5	10000	10000	Unch
Sunflower Seed	Latur	2900-3300	2900-3300	Unch	3000	1000	+2000

*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) 10-03-11 09-03-11 Change

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

FOREX RATES as on 10.03.11

Country/ Continent	Currency	Value in Rupees	
		10.03.11	09.03.11
USA	Dollar	45.11	45.02
Europe	Euro	62.56	62.54
Japan	Yen	54.44	54.31
Britain	Pound Strlg.	72.90	72.70

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