

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

Mixed sentiments witnessed in mustard seed cash market on varied factors Friday.

Mustard seed arrivals in Rajasthan were reported higher at 1.5 lakh bags (85 kg each) compared to 1.25 lakh bags a day earlier.

- Increasing supply pressure followed by harvesting of the seed in growing region continues to pressure the seed prices.
- Higher output estimate in the seed and slack in mustard oil demand remained negative factors for the market.
- EU imports of rapeseed meal reached a high of 75 Thd T in Oct/Dec 2010, thereof from Canada 39 Thd T - Oil World.
- Higher rapeseed stocks are projected for EU-27, Australia, and Turkey by USDA in its monthly WASDE report.
- Global oilseed production for 2010/11 is projected at 444.2 million tons, up 2.4 million tons from last month - USDA.

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 witnessed slight gains tracking initial gains in Malaysian palm oil. BMD CPO fell drastically later in the session.

Soybean arrivals in Madhya Pradesh are declining and reported lower at 25 thousand bags compared to 35 thousand bags a day earlier.

- Dull activity featured in domestic soybean market due to slack in soy meal demand.
- Overseas soy meal buyer refrained themselves from the Indian soy meal market due to attractive price offer from Latin American countries for forward deal.
- No fresh forward deal in the meal noticed in Indian market.
- 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.
- Brazil soybean production is forecast at a record 70.0 million tons, up 1.5 million tons from last month due to higher projected yields - USDA.

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 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 oversold region.

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

Trade Recommendation - Soybean NCDEX (Apr)

Call	Entry	T1	T2	SL
SELL	<2345	2335	2330	2350
Support & Resistance				
S2	S1	PCP	R1	R2
2320	2335	2340	2409	2426

**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 ease in Saturday's session.

Trade Recommendation - Rapeseed NCDEX (Apr)

Call	Entry	T1	T2	SL
SELL	<2338	2328	2323	2343
Support & Resistance				
S2	S1	PCP	R1	R2
2710	2720	2733	2797	2818

**NCDEX RM Seed Price Spread**

NCDEX Spread	Apr	May	Jun	Jul
Apr	0	41	87	143
May	41	0	46	102
Jun	87	46	0	56
Jul	143	102	56	0

*Far Month Contract Vs Near Month Contract.

NCDEX Soy Seed Price Spread

NCDEX Spread	Mar	Apr	May	Jun
Mar	0	31	65	87
Apr	31	0	34	56
May	65	34	0	22
Jun	87	56	22	0

*Far Month Contract Vs Near Month Contract.

Oilseed Prices at Key Markets

Commodity	Centre	Prices (Rs/Qtl)		Change	Arrivals (Bags)		Change
		11/3/2011	10/03/2011		11/3/2011	10/03/2011	
Soybean	Indore -P	2335-2370	2320-2355	+15			
	Indore -M	2225-2270	2200-2260	+10			
	Arrivals in Madhya Pradesh					35000	
	Nagpur-P	2330-2370	2320-2350	+20			
	Nagpur - M	2280-2330	2230-2280	+50			
	Kota-P	2310-2330	2310-2320	+10			
	Kota - M	2230-2270	2240-2250	+20			
Rapeseed/Mustard	Jaipur - C	2780	2790	-10			
	Alwar - C	2700	2700	Unch			
	SriGanganagar	2450	2425	+25			
	Kota	-	2450	-			
	Neewai	2740	2725	+15			
	Ramganj						
	Baran						
	Arrivals in Rajasthan					125000	
	Delhi- C	2775	2770-2800	-5			
	Katni (MP)						
Groundnut Seed	Hapur (UP)	2650	2650	Unch			
	Rajkot	595	595	Unch	10000	10000	Unch
Sunflower Seed	Latur	2900-3300	2900-3300	Unch	2500	3000	-500

*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) 11-03-11 10-03-11 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	2500	2525	-25
Groundnut Kernel	3725	3750	-25
Castor Seed	5050	5000	+50
Prices are in INR/100 kg.			

FOREX RATES as on 11.03.11

Country/ Continent	Currency	Value in Rupees	
		11.03.11	10.03.11
USA	Dollar	45.21	45.11
Europe	Euro	62.43	62.56
Japan	Yen	54.33	54.44
Britain	Pound Strlg.	72.54	72.90

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