

Oilseed Summary

Oilseed prices feature downward pressure in the cash market 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 continue to decline.

Spot Market Analysis: Rapeseed/Mustard Seed

Weak sentiments witnessed in mustard seed cash market followed by slack in demand from millers Saturday.

- Mustard seed arrivals in Rajasthan are reported significantly higher at 2.5 lakh bags (85 kg each) compared to 1.50 lakh bags a day earlier.
- In Alwar the fresh crop arrivals are registered at 10,000 bags against 4000 bags a month ago.
- Spurt in the seed arrival with progressive harvesting continue to exert pressure in the seed price.
- Besides, higher production estimate in the seed and sluggish demand in mustard oil 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 it's 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 declined tracking losses in local mustard seed and weak international vegoil market Saturday.

- Soybean arrivals in Madhya Pradesh continue to decline and reported lower at 22 thousand bags compared to 25 thousand bags a day earlier.
- Weak buying activity noticed in the bean market due to decline in soy meal demand.
- Slow down in overseas meal demand and fall in domestic soy meal purchases from poultry feed industry pressured the domestic bean market.
- The overseas demand shift in meal towards South America remained negative factor for the market.
- 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 buying support in the market.
- Prices closed below by 9-day and 18-day EMA, indicating bearish momentum in near and medium-term.
- MACD is easing in negative territory.
- RSI and stochastic are declining in oversold region.

The soybean prices are likely to extend losses in Monday's session.

Trade Recommendation - Soybean NCDEX (Apr)

Call	Entry	T1	T2	SL
SELL	<2367	2357	2352	2372
Support & Resistance				
S2	S1	PCP	R1	R2
2310	2321	2365	2386	2409



RAPESEED

Technical Analysis:

- Candlestick chart pattern reveals mild buying 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 oversold region while stochastic is easing in oversold zone.

The Mustard prices are expected to ease in Saturday's session.

Trade Recommendation - Rapeseed NCDEX (Apr)

Call	Entry	T1	T2	SL
SELL	<2755	2445	2440	2760
Support & Resistance				
S2	S1	PCP	R1	R2
2710	2732	2753	2768	2790



NCDEX RM Seed Price Spread

NCDEX Spread	Apr	May	Jun	Jul
Apr	0	39	87	127
May	39	0	48	88
Jun	87	48	0	40
Jul	127	88	40	0

*Far Month Contract Vs Near Month Contract.

NCDEX Soy Seed Price Spread

NCDEX Spread	Mar	Apr	May	Jun
Mar	0	37	76	99
Apr	37	0	39	62
May	76	39	0	23
Jun	99	62	23	0

*Far Month Contract Vs Near Month Contract.

Oilseed Prices at Key Markets

Commodity	Centre	Prices (Rs/Qtl)		Change	Arrivals (Bags)		Change
		12/3/2011	11/03/2011		12/3/2011	11/03/2011	
Soybean	Indore -P	2290-2330	2335-2370	-40			
	Indore -M	2200-2250	2225-2270	-20			
	Arrivals in Madhya Pradesh				22000	35000	-13000
	Nagpur-P	2320-2340	2330-2370	-30			
	Nagpur - M	2270-2320	2280-2330	-10			
	Kota-P	2280-2310	2310-2330	-20			
	Kota - M	2200-2250	2230-2270	-20			
Rapeseed/Mustard	Jaipur - C	2750	2780	-30			
	Alwar - C	2700	2700	Unch			
	SriGanganagar	2425	2450	-25			
	Kota		2400-2425				
	Neewai	2725	2740	-15			
	Ramganj						
	Baran						
	Arrivals in Rajasthan				250000	125000	+125000
	Delhi- C	2700	2775	-25			
	Katni (MP)						
Groundnut Seed	Hapur (UP)	2640	2650	-10			
	Rajkot	595	595	Unch	10000	10000	Unch
Sunflower Seed	Latur	2700-3200	2900-3300	-100	3000	2500	+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/ql.

Other Oilseeds (Mumbai) 12-03-11 11-03-11 Change

Niger Seed (4% FM)	3200	3250	-50
Sesame White 98/2/1 FM	5100	5100	Unch
Sunflower Seed	3500	3500	Unch
Kardi Seed 2% Exp Quality	2500	2500	Unch
Groundnut Kernel	3725	3725	Unch
Castor Seed	5050	5050	Unch
Prices are in INR/100 kg.			

FOREX RATES as on 12.03.11

Country/ Continent	Currency	Value in Rupees	
		12.03.11	11.03.11
USA	Dollar	45.24	45.21
Europe	Euro	62.82	62.43
Japan	Yen	55.24	54.33
Britain	Pound Strlg.	72.69	72.54

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