

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

Mustard seed prices extended losses in cash market on higher supplies and poor demand in the seed.

- Overall, spurt in the seed arrivals in the physical market and sluggish demand in the same remained negative factor for the seed market.
- Mustard seed arrivals in Rajasthan are reported steady at 3.5 lakh bags (85 kg each).
- No aggressive buying reported by the millers due to slack in mustard oil demand.
- Besides, higher output estimates in the seed this season remained continue to remain bearish factor for the seed market.
- India's mustard seed output is estimated at 7-7.1 Mln T this season on higher acreage followed by favourable weather conditions by Mustard oil Producers Association (MOPA) in its 32nd annual meet held at Jaipur on 13 March 2011.
- The production estimate is higher compared to the 6.8 Mln T projected by Solvent Extractor's Association of India
- 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 decline in cash market on poor demand in beans followed by disparity (Rs.- 250 to -280/MT) in crushing.

- Soybean arrivals in Madhya Pradesh are reported steady at 25 thousand bags compared with previous day's level.
- Slack in overseas soy meal demand of Indian origin with the competitive price offer in South America pressured the local bean prices.
- The demand shift in soy meal to South America could be well noticed in the absence of forward deal in the same.
- The big plants/crushers in Madhya Pradesh are reportedly operating 10-15 days a month while small ones about 20 days a month due to decline in supplies of the beans followed by disparity on crushing and poor overseas meal demand.
- The local meal sellers are seen aggressively marketing the soy meal in local, Indian, market. Gujrat and Karnataka remain major buying states in the meal.
- Shipments to Asia Pacific countries are restricted after earth quake followed by Sunami in Japan.
- The Brazilian soybean crop is unlikely to reach earlier optimistic forecasts of 71-72 Mn T - Oil World. USDA has projected the output at 70 Mn T.

Soybean prices will continue 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, prices gained but could not sustain at higher levels.
- 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. Signals to bears.

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

Trade Recommendation – Soybean NCDEX (Apr)

Call	Entry	T1	T2	SL
SELL	<2321	2311	2306	2326
Support & Resistance				
S2	S1	PCP	R1	R2
2280	2285	2317.5	2353	2371



RAPSEED

Technical Analysis:

- Candlestick chart pattern reveals prices moved but declined later in the session.
- 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 zone.

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

Trade Recommendation – Rapeseed NCDEX (May)

Call	Entry	T1	T2	SL
BUY	>2736	2746	2751	2731
Support & Resistance				
S2	S1	PCP	R1	R2
2685	2690	2741	2788	2809



NCDEX RM Seed Price Spread

NCDEX Spread	Apr	May	Jun	Jul
Apr	0	38	85	120
May	38	0	47	82
Jun	85	47	0	35
Jul	120	82	35	0

*Far Month Contract Vs Near Month Contract.

NCDEX Soy Seed Price Spread

NCDEX Spread	Mar	Apr	May	Jun
Mar	0	46.5	76	95
Apr	46.5	0	29.5	48.5
May	76	29.5	0	19
Jun	95	48.5	19	0

*Far Month Contract Vs Near Month Contract.

Oilseed Prices at Key Markets

Commodity	Centre	Prices (Rs/Qtl)		Change	Arrivals (Bags)		Change
		15/3/2011	14/03/2011		15/3/2011	14/03/2011	
Soybean	Indore -P	2250-2300	2280-2330	-30			
	Indore -M	2150-2220	2200-2245	-25			
	Arrivals in Madhya Pradesh				25000	25000	Unch
	Nagpur-P	2290-2320	2260-2300	+20			
	Nagpur - M	2200-2235	2200-2240	-5			
	Kota-P	2250-2275	2280-2300	-25			
	Kota - M	2130-2180	2180-2225	-45			
Rapeseed/Mustard	Jaipur - C	2680	2750	-70			
	Alwar - C	2000-2550	2000-2550	Unch			
	SriGanganagar	2400	2400	Unch			
	Kota	2250-2350	2400-2425	-75			
	Neewai	2450-2460	2550	-90			
	Ramganj						
	Baran						
	Arrivals in Rajasthan				300000	350000	-50000
	Delhi- C	2600	2650	-50			
	Katni (MP)						
Groundnut Seed	Hapur (UP)	2550	2600	-50			
	Rajkot	590	595	-5	8000	10000	-2000
Sunflower Seed	Latur	2700-3250	2750-3150	+100	2500	2500	Unch

*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) 15-03-11 14-03-11 Change

Niger Seed (4% FM)	3200	3200	Unch
Sesame White 98/2/1 FM	5000	5100	-100
Sunflower Seed	3500	3500	Unch
Kardi Seed 2% Exp Quality	2450	2500	-50
Groundnut Kernel	3700	3725	-25
Castor Seed	5100	5050	+50
Prices are in INR/100 kg.			

FOREX RATES as on 15.03.11

Country/ Continent	Currency	Value in Rupees	
		15.03.11	14.03.11
USA	Dollar	45.27	45.15
Europe	Euro	63.03	62.95
Japan	Yen	55.36	55.00
Britain	Pound Strlg.	72.94	72.58

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