

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 declined in cash market on weak fundamentals and global cues Tuesday.

- Rising fresh crop arrivals pressure and higher output estimates in the seed this season remained negative factor for the market.
- Mustard seed arrivals in Rajasthan are reported at 3.0 lakh bags (85 kg each) compared to 2.1 lakh bags a day earlier.
- Millers are the major buyers at the current price level while stockists refrained themselves away from the market.
- Overall, the seed sentiments remain bearish.
- The mustard seed output is estimated between 6.8 - 7.1 Mln T, this season, by competent agencies compared to 5.8 Mln T last year.
- Currently the seed millers are looking for the exports opportunity in mustard seed DOC. India exports above 100 thousand tones of mustard DOC in April, noted as peak season/period in mustard seed,

Mustard seed prices are likely to face downward pressure on new crop supply pressure. Higher output estimates continue to weigh on the seed prices.

Spot Market Analysis: Soybean

Soybean cash market witnessed losses tracking weakness in mustard seed and lower Malaysian palm oil on Tuesday.

- Weak buying activity and poor exports in soy meal remained bearish factors for the soybean market.
- Solvent extractors/crushers are not keen in aggressive purchases in bean due to poor disparity on crushing.
- The disparity is attributed to demand shift in the meal to South America followed by competitive price offer on peak season in the soybean crop there.
- The big crushing plants are reportedly operating between 10-15 days a month while smaller plants are seen operating 20-25 days a month.
- Soybean arrivals in Madhya Pradesh are reported higher at 20,000 bags compared to 12,000 a day earlier.
- No fresh demand in soy meal from poultry industry noticed. Poultry feed industry is the major local buyer in the meal. This is due to the slow down in poultry industry.
- The soy meal sellers are aggressively marketing the meal in the local market.

Soybean prices will face downward pressure on the back of 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 selling pressure in the market.
- Prices closed below 9-day 18-day EMA, indicating bearish momentum in near and medium-term.
- MACD is rising in negative territory.
- RSI is easing in neutral region while stochastic is moving up in neutral zone.

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

Trade Recommendation – Soybean NCDEX (Apr)

Call	Entry	T1	T2	SL
SELL	<2337	2327	2322	2342
Support & Resistance				
S2	S1	PCP	R1	R2
2293	2320	2331.5	2365	2381



RAPESEED

Technical Analysis:

- Candlestick chart pattern indicates strong selling in the market.
- Prices closed below 9-day 18-day EMA indicating bearish momentum in near and medium-term.
- MACD is easing in negative territory indicating bearish sentiment for short term.
- RSI is easing in neutral region while stochastic is rising in neutral region.

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

Trade Recommendation – Rapeseed NCDEX (May)

Call	Entry	T1	T2	SL
SELL	<2375	2365	2660	2380
Support & Resistance				
S2	S1	PCP	R1	R2
2701	2713	2370	2780	2804



NCDEX RM Seed Price Spread

NCDEX Spread	Apr	May	Jun	Jul
Apr	0	42	86	121
May	-	0	44	79
Jun	-	-	0	35
Jul	-	-	-	0

*Far Month Contract Vs Near Month Contract.

NCDEX Soy Seed Price Spread

NCDEX Spread	Apr	May	Jun	Jul
Apr	0	47.5	70.5	92.5
May	-	0	23	45
Jun	-	-	0	22
Jul	-	-	-	0

*Far Month Contract Vs Near Month Contract.

Oilseed Prices at Key Markets

Commodity	Centre	Prices (Rs/Qtl)		Change	Arrivals (Bags)		Change
		22/3/2011	21/03/2011		22/3/2011	21/03/2011	
Soybean	Indore -P	2330-2365	2300-2380	-15			
	Indore -M	2200-2260	2240-2300	-40			
	Arrivals in Madhya Pradesh				20000	12000	+8000
	Nagpur-P	2320-2350	2330-2370	-20			
	Nagpur - M	2270-2315	2280-2330	-15			
	Kota-P	2290-2300	2300	Unch			
	Kota - M	2225-2280	2240-2290	-10			
Rapeseed/Mustard	Jaipur - C	2640	2680	-40			
	Alwar - C	2000-2400	2000-2420	-20			
	SriGanganagar	2450	2450	Unch			
	Kota	-	-				
	Neewai	2350	2425-2430	-80	-	-	-
	Ramganj		-		-	-	-
	Baran		-		-	-	-
	Arrivals in Rajasthan				300000	210000	-90000
	Delhi- C	2625	2630	-5		-	
	Katni (MP)	-	-				
	Hapur (UP)	-	-			-	
Groundnut Seed	Rajkot	610	610	Unch	8000	10000	-2000
Sunflower Seed	Latur	-	-	-	-	-	-

*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) 22-03-11 21-03-11 Change

Niger Seed (4% FM)	3200	3200	Unch
Sesame White 98/2/1 FM	5000	5000	Unch
Sunflower Seed	3500	3500	Unch
Kardi Seed 2% Exp Quality	2375	2375	Unch
Groundnut Kernel	3775	3775	Unch
Castor Seed	5300	5175	+125
Prices are in INR/100 kg.			

FOREX RATES as on 22.03.11

Country/ Continent	Currency	Value in Rupees	
		22.03.11	21.03.11
USA	Dollar	44.97	45.05
Europe	Euro	63.98	63.81
Japan	Yen	55.59	55.65
Britain	Pound Strlg.	73.34	73.05

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