

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 noticed in the key mustard seed physical markets on good supplies and global cues on Tuesday.

- The arrivals in Rajasthan are reported slightly lower at 3.7 lakh bags (85 kg each) compared to the previous day's level of 4.0 lakh bags.
- The seed arrivals are gaining momentum. However, it is yet to pick-up in *Hadoti* belt in Rajasthan.
- Slow down in the mustard oil demand has left the seed market with need oriented buying by the millers and stockists.
- Few stockists are waiting for the purchases in anticipation that prices of the seed will further fall by Rs 50 - 60/Qtl in a week of two.
- The millers are looking for the opportunity in mustard seed DOC exports with expected rise in crushing the seed in coming days followed by rise in supplies. India exports above 1000 tons of mustard seed DOC in the month of April.

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

Spot Market Analysis: Soybean

Soybean prices continued downtrend in cash market on weak buying by the crushers and fall in international vegoil market.

- The local solvent plant extractors are not keen in crushing the soybeans due to disparity on crushing.
- Poor exports in soy meal is contributing disparity in the crushing the beans. Currently, the disparity in crushing is recorded at Rs -420/MT compared to Rs -278/MT a month ago.
- Reportedly big crushers (1000 tons crush capacity per day) are operating their unit 10-15 days a month while smaller units (300-500 tons crush capacity per day) are running 15-30 days a month.
- Currently, the spread between Indian soy meal quotes (FAS Kandla USD/MT) and FOB Argentina is ruling higher at USD 17/MT which is above its two week moving average of USD 6/MT. Moreover, higher prices of Indian meal especially before onset of the shipment from Argentinean ports shall weight on the Indian meal prices as overseas demand is likely to shift amid higher price spread.
- Brazil is expected to produce a record 71.5 million metric tons this years said researcher of Safras and Mercados. The figure is higher than the 70 million forecast by the USDA in it's monthly World Agriculture Supply and Demand report earlier this month. Nevertheless, commencement of shipment from South American ports and any expected surge in production from Latin American nations shall add a pinch of salt to the international market sentiments.
- Brazilian farmers have sold 58 percent of their crop. The aggressive marketing by the Brazilian farmers is likely to boost the benefit before the commencement of Argentina's fresh crop arrivals in the 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 depicts buying support in the market.
- Prices closed below 9-day 18-day EMA, indicating bearish momentum in near and medium-term.
- RSI is rising in neutral region while stochastic is easing in neutral zone.

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

Trade Recommendation – Soybean NCDEX (Apr)

Call	Entry	T1	T2	SL
BUY	>2309	2319	2345	2304
Support & Resistance				
S2	S1	PCP	R1	R2
2260	2271	2313.5	2328	2345



RAPESEED

Technical Analysis:

- Candlestick chart pattern reflects buying support in the market.
- Prices closed below 9-day 18-day EMA indicating bearish momentum in near and medium-term.
- RSI is rising in neutral region while stochastic is easing in neutral zone.

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

Trade Recommendation – Rapeseed NCDEX (May)

Call	Entry	T1	T2	SL
BUY	>2701	2711	2716	2696
Support & Resistance				
S2	S1	PCP	R1	R2
2675	2684	2706	2730	2748



NCDEX RM Seed Price Spread

NCDEX Spread	Apr	May	Jun	Jul
Apr	0	50	103	151
May	-	0	53	101
Jun	-	-	0	48
Jul	-	-	-	0

*Far Month Contract Vs Near Month Contract.

NCDEX Soy Seed Price Spread

NCDEX Spread	Apr	May	Jun	Jul
Apr	0	35.5	64.5	89.5
May	-	0	29	54
Jun	-	-	0	25
Jul	-	-	-	0

*Far Month Contract Vs Near Month Contract.

Oilseed Prices at Key Markets

Commodity	Centre	Prices (Rs/Qtl)		Change	Arrivals (Bags)		Change
		29/3/2011	28/03/2011		29/3/2011	28/03/2011	
Soybean	Indore -P	2250-2300	2280-2325	-25			
	Indore -M	2160-2220	2180-2230	-10			
	Arrivals in Madhya Pradesh				20000	17000	+3000
	Nagpur-P	-	-				
	Nagpur - M	-	-				
	Kota-P	2260-2280	-				
	Kota - M	2220-2250	-				
Rapeseed/Mustard	Jaipur - C	2550	2570	-20			
	Alwar - C	2000-2400	2000-2400	Unch			
	SriGanganagar	2325	2300	-25			
	Kota		2300		-	-	-
	Neewai		-		-	-	-
	Ramganj		-		-	-	-
	Baran		-		-	-	-
	Arrivals in Rajasthan				370000	400000	-30000
	Delhi- C	2510	2525	-15			
	Katni (MP)	-	-				
	Hapur (UP)	-	2500	-	-	-	-
Groundnut Seed	Rajkot	-	610	-		4000	
Sunflower Seed	Latur	2850-3300	-	-	2500	-	-

*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) 29-03-11 28-03-11 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	2400	2375	+25
Groundnut Kernel	2750	3775	Unch
Castor Seed	5275	5325	-50
Prices are in INR/100 kg.			

FOREX RATES as on 28.03.11

Country/ Continent	Currency	Value in Rupees	
		29.03.11	28.03.11
USA	Dollar	44.67	44.78
Europe	Euro	63.09	62.96
Japan	Yen	54.70	55.81
Britain	Pound Strlg.	71.62	71.63

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