

## Oilseed Summary

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*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

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*Mixed sentiments witnessed in the mustard seed cash markets consecutive second day.*

- Thin trade activity is witnessed in the physical market owing to closer of the finance year. Consequently, arrivals declined at key centers as most of the trading community engaged in filling tax obligations.
- The arrivals in Rajasthan further declined and reported at 1.25 lakh bags (85 kg each) compared to 1.7 lakh bags previous day.
- Arrivals are expected to pick-up once again in the first week of April to the tune of 4-5 lakh bags from Rajasthan as a whole couple with surge in supplies from Sri Ganganagar and Hanumangarh region which is likely to limit any excessive gains for short term.
- Fall in mustard oil demand at retail market has discouraged the millers in crushing and aggressive buying in the seed.
- Any fresh overseas demand in mustard seed DOC will lend support to the seed price. Moreover, with the onset of active RM seed crushing which is likely to begin from April onwards, major RM extract demand is likely form China and South Korea and forward booking for the same is expected to start from 2<sup>nd</sup> week of April.
- Nevertheless, any major demand for RM extract from these nations shall lend underlying support to the meal front and the same shall lend spill over support to the seed prices moving forward with the demand.
- Solvent extractors from Rajasthan eyeing to procure rape meal and few of the major giants are active in the spot as the demand for solvent plants improved marginally at lower price quotes. Going ahead with the crush season enhanced demand for meal and improved intention for RM seeds at lower quotes shall continue to lend underlying support to the mustard prices.
- However, considering relatively higher production of RM seed during 2010-11 to the tune of 71 lakh tons compared with 64.5 lakh tons previous year we also negate any sharp surge in RM seed prices thereby keeping RM seed prices almost range bound.
- Meanwhile, relatively lower demand of edible oil during summer is likely to add a pinch of salt to the mustard seed sentiments.
- Crushing of rapeseed in European Union declined by approximately 100 thousand tons from a year earlier in January and by 0.5 million tons in Sept/Jan 2010/11.

*Mustard seed prices are likely to face downward pressure on new crop supply pressure. Higher output but might find underlying support at lower price quotes.*

### Spot Market Analysis: Soybean

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*Soybean prices improved on poor supply and global cues on Thursday.*

- Feeble buying activity noticed consecutive third day due to closing of finance year. Arrivals fell significantly and reported at just 3000 bags compared to the weekly average arrivals of 20000 bags in a day.
- Overall crushing of the soybean continues to be poor due to disparity. Slack in overseas soy meal demand has contributed to disparity in crushing. Currently, the disparity in crushing is recorded at Rs -220/MT compared to Rs -126/MT a month ago. This will subsequently reflect in poor crushing in April too.
- Weak demand in overseas soy meal of Indian origin is followed by competitive price offer by South America. Harvesting in Brazil is in full swing while it is likely to pick-up in a week or two.
- Rains in northern parts of Brazil are expected to delay in the soybean harvest which will consequently delay in the soy shipments and push up the soybean price at international market in near-term.
- World crushings of soybeans have increased sharply by 11.0 Mn T or 11% from a year earlier to a record 109 Mn T in Oct/March 2010/11. Rise in crushing will support the international soybean prices in long term.
- Soybean harvest in Argentina is expected to pick-up in days ahead which has just begun which will exert the pressure on international soybean price.

*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 rise in prices.
- Prices closed above 9-day EMA, indicating bullish momentum in near-term.
- MACD is heading upwards in negative region.
- RSI is rising in neutral region while stochastic is easing in neutral zone.

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

**Trade Recommendation – Soybean NCDEX (Apr)**

Call	Entry	T1	T2	SL
<b>BUY</b>	<b>&gt;2322</b>	<b>2332</b>	<b>2337</b>	<b>2317</b>
Support & Resistance				
S2	S1	PCP	R1	R2
2292	2314	2337	2355	2369

**RAPESEED****Technical Analysis:**

- Candlestick chart pattern reflects buying interest in the market.
- Prices closed above 9-day EMA indicating bullish momentum in near-term.
- RSI is rising in neutral region while stochastic is easing in neutral zone.

*The Mustard prices are likely to improve in Friday's session.*

**Trade Recommendation – Rapeseed NCDEX (May)**

Call	Entry	T1	T2	SL
<b>BUY</b>	<b>&gt;2740</b>	<b>2750</b>	<b>2755</b>	<b>2735</b>
Support & Resistance				
S2	S1	PCP	R1	R2
2683	2699	2745	2771	2792

**NCDEX RM Seed Price Spread**

NCDEX Spread	Apr	May	Jun	Jul
<b>Apr</b>	0	55	101	142
<b>May</b>	-	0	46	87
<b>Jun</b>	-	-	0	41
<b>Jul</b>	-	-	-	0

\*Far Month Contract Vs Near Month Contract.

**NCDEX Soy Seed Price Spread**

NCDEX Spread	Apr	May	Jun	Jul
<b>Apr</b>	0	41.5	73	103
<b>May</b>	-	0	31.5	61.5
<b>Jun</b>	-	-	0	30
<b>Jul</b>	-	-	-	0

\*Far Month Contract Vs Near Month Contract.

## Oilseed Prices at Key Markets

Commodity	Centre	Prices (Rs/Qtl)		Change	Arrivals (Bags)		Change
		31/3/2011	30/03/2011		31/3/2011	30/03/2011	
Soybean	Indore -P	2280-2330	2260-2320	+10			
	Indore -M	2170-2220	2150-2200	+20			
	Arrivals in Madhya Pradesh				3000	4000	-1000
	Nagpur-P	2300-2350	2290-2340	+10			
	Nagpur - M	-	-	-			
	Kota-P	2290-2330	2280-2310	+20			
	Kota - M	2230-2250	2200-2260	-10			
Rapeseed/Mustard	Jaipur - C	2570	2560	+10			
	Alwar - C	Closed	2000-2400	-			
	SriGanganagar	2325	2300	-5			
	Kota	Closed	2310		-	-	-
	Neewai	-	-		-	-	-
	Ramganj	-	-		-	-	-
	Baran	-	-		-	-	-
	Arrivals in Rajasthan				125000	170000	-45000
	Delhi- C	2550	2525-2530	+20			
	Katni (MP)	-	-	-	-	-	-
	Hapur (UP)	2480	-	-	-	-	-
Groundnut Seed	Rajkot	610	610	Unch	4000	4000	Unch
Sunflower Seed	Latur	Closed	Closed	-	-	-	-

\*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) 31-03-11 30-03-11 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	2400	-25
Groundnut Kernel	3825	-	-
Castor Seed	5350	5300	+50
Prices are in INR/100 kg.			

## FOREX RATES as on 31.03.11

Country/ Continent	Currency	Value in Rupees	
		31.03.11	30.03.11
USA	Dollar	44.65	44.75
Europe	Euro	63.24	63.06
Japan	Yen	54.02	53.96
Britain	Pound Strlg.	71.92	71.62

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