

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 mostly witnessed gains on supportive international vegetable oil market.

- However, subdued trade activity noticed in the mustard seed market owing to the closure of trade and financial institutions on first day of new financial year on Friday.
- The arrivals in Rajasthan improved and reported at 2.7 lakh bags (85 kg each) compared to 1.25 lakh bags previous day.
- As expected the arrivals will once again gain the momentum and will reach 4-5 lakh bags from Rajasthan. The fresh crop arrival is yet to gain momentum in Sri Ganganagar and Hanumangarh districts increase in the same will mount pressure on the seed prices.
- Slack in mustard oil demand in local market continues to be a bearish factor for the seed market.
- Millers are looking for the exports opportunity in mustard seed DOC in the month of April. Any overseas mustard seed DOC demand from the traditional buyers will subsequently lend support to the domestic seed market.
- Reportedly local solvent extractors are interested in rape meal purchases with improved crushing at the lower price quotes in the seed. This will consequently support the upward move in meal prices and subsequently the seed prices.

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

Soybean prices extended gains supported by poor supplies in domestic cash market and supportive international vegetable oil market.

- Trading remained dull consecutive fourth day owing to the closure of trade and financial institutions on first day of new financial year on Friday.
- The soybean arrivals significantly declined in Madhya Pradesh and reported at 2000 bags compared to the average weekly arrivals of 20000 bags a day.
- Crushing continues to remain poor owing to disparity followed by dull overseas meal demand. Currently, the disparity in crushing is recorded at Rs -170/MT compared to Rs -126/MT a month ago. This will subsequently contribute poor crushing in April.
- Demand shift of meal to South America due to their competitive price offer is the major factor for the poor overseas meal demand which has hit the Indian soy meal exports. Currently, the spread between Indian soy meal quotes (FAS Kandla USD/MT) and FOB Argentina is ruling higher at USD 16/MT which is above its two week moving average of USD 7/MT.
- Bullish report on US soybean planting intention with estimated decline in US soybean area by 1% this season to 76.6 million acres compared to 77.40 million acres previous season. The largest soybean growing state of Iowa is estimated a fall in soybean acreage by 4% at 94.0 million acres compared to 98.0 million acres last season. This remains a supportive factor for the soybean market in near-term.

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 prices could not sustain at higher levels.
- Prices closed above 9-day and 18-day EMA, indicating bullish momentum in near and medium-term.
- MACD is heading upwards in negative region.
- RSI and stochastic are rising in neutral zone.

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

Trade Recommendation – Soybean NCDEX (Apr)

Call	Entry	T1	T2	SL
BUY	>2350	2360	2365	2345
Support & Resistance				
S2	S1	PCP	R1	R2
2319	2338	2355	2380	2405



RAPESEED

Technical Analysis:

- Candlestick chart pattern reflects mild buying support in the market.
- Prices closed above 9-day EMA indicating bullish momentum in near-term.
- RSI and stochastic are rising in neutral zone.

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

Trade Recommendation – Rapeseed NCDEX (May)

Call	Entry	T1	T2	SL
BUY	>2752	2762	2767	2747
Support & Resistance				
S2	S1	PCP	R1	R2
2699	2737	2757	2792	2819



NCDEX RM Seed Price Spread

NCDEX Spread	Apr	May	Jun	Jul
Apr	0	57	107	152
May	-	0	50	95
Jun	-	-	0	45
Jul	-	-	-	0

*Far Month Contract Vs Near Month Contract.

NCDEX Soy Seed Price Spread

NCDEX Spread	Apr	May	Jun	Jul
Apr	0	43	77	103
May	-	0	34	60
Jun	-	-	0	26
Jul	-	-	-	0

*Far Month Contract Vs Near Month Contract.

Oilseed Prices at Key Markets

Commodity	Centre	Prices (Rs/Qtl)		Change	Arrivals (Bags)		Change
		01/04/2011	31/03/2011		01/04/2011	31/03/2011	
Soybean	Indore -P	2300-2350	2280-2330	+20			
	Indore -M	2180-2250	2170-2220	+30			
	Arrivals in Madhya Pradesh					3000	
	Nagpur-P	2350-2410	2300-2350	+60			
	Nagpur - M	-	-				
	Kota-P	2300-2350	2290-2330	+20			
	Kota - M	2230-2280	2230-2250	+30			
Rapeseed/Mustard	Jaipur - C	2600	2570	+30			
	Alwar - C	2000-2450	Closed	-			
	SriGanganagar	2300	2325	-25			
	Kota		Closed		-	-	-
	Neewai		-		-	-	-
	Ramganj		-		-	-	-
	Baran		-		-	-	-
	Arrivals in Rajasthan				270000	125000	-100000
	Delhi- C	2570	2550	+20			
	Katni (MP)		-		-	-	-
	Hapur (UP)		2480		-	-	-
Groundnut Seed	Rajkot	615	610	+5	4000	4000	Unch
Sunflower Seed	Latur	-	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/qtl.

Other Oilseeds (Mumbai) 01-04-11 31-03-11 Change

Niger Seed (4% FM)	3200	3200	Unch
Sesame White 98/2/1 FM	5050	5000	+50
Sunflower Seed	3500	3500	Unch
Kardi Seed 2% Exp Quality	2400	2375	+25
Groundnut Kernel	3850	3825	+25
Castor Seed	5425	5350	+75
Prices are in INR/100 kg.			

FOREX RATES as on 31.03.11

Country/ Continent	Currency	Value in Rupees	
		01.04.11	31.03.11
USA	Dollar	44.44	44.65
Europe	Euro	62.99	63.24
Japan	Yen	53.19	54.02
Britain	Pound Strlg.	71.38	71.92

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