

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 on weak demand in cash market in conjunction with the fall in international vegoil market.

- The supply is once again picking-up which fell during the week due to the finance year closure. The rise in arrivals pressured the seed prices at key centers.
- The arrivals in Rajasthan improved and reported at 3.6 lakh bags (85 kg each) compared to 2.7 lakh bags previous day. This is expected to further rise and tune to the level of about 4.0 - 5.0 lakh bags.
- Apart from higher supplies in the seed, sluggish demand in mustard oil remained the major factor for the weakness in the seed prices
- The exports in mustard seed DOC is seen lucrative by the millers this month with expected improvement in the crushing. Any demand in the DOC will lend support to 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 remained unchanged in the key markets supported by regular buying in cash market on Saturday.

- The soybean market could not afford to decline despite weak global cues and poor exports in soy meal. The regular demand of the beans by the crushers at poor arrivals in the same restricted the fall.
- The soybean arrivals are seen improving, which declined during the week due to finance year closure. In Madhya Pradesh the arrivals are reported slightly higher at 6000 bags compared to the previous day's level of 2000 bags. Rise in the supplies will mount the pressure on the bean prices.
- Crushing continues to remain poor owing to disparity followed by dull overseas meal demand. Currently, the disparity in crushing is recorded at Rs -152/MT compared to average monthly crush margin of Rs -327/MT in February. 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 24/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 buying support in the market.
- 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 Monday's session.

Trade Recommendation – Soybean NCDEX (Apr)

Call	Entry	T1	T2	SL
BUY	>2356	2366	2371	2351
Support & Resistance				
S2	S1	PCP	R1	R2
2312	2334	2361	2377	2394

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

- Candlestick chart pattern reflects indecision in the market.
- Prices closed above 9- EMA indicating gains in near -term.
- MACD is rising in negative territory.
- RSI and stochastic are rising in neutral zone.

The Mustard prices are likely to gain in Monday's session.

Trade Recommendation – Rapeseed NCDEX (May)

Call	Entry	T1	T2	SL
BUY	>2751	2751	2766	2746
Support & Resistance				
S2	S1	PCP	R1	R2
2712	2735	2756	2772	2786

**NCDEX RM Seed Price Spread**

NCDEX Spread	Apr	May	Jun	Jul
Apr	0	58	110	157
May	58	0	52	99
Jun	110	52	0	47
Jul	157	99	47	0

*Far Month Contract Vs Near Month Contract.

NCDEX Soy Seed Price Spread

NCDEX Spread	Apr	May	Jun	Jul
Apr	0	42	75	102
May	42	0	33	60
Jun	75	33	0	27
Jul	102	60	27	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	2300-2350	Unch			
	Indore -M	2180-2250	2180-2250	Unch			
	Arrivals in Madhya Pradesh				6000	3000	+3000
	Nagpur-P		2350-2410				
	Nagpur - M		-				
	Kota-P		2300-2350				
	Kota - M		2230-2280				
Rapeseed/Mustard	Jaipur - C	2580	2600	-20			
	Alwar - C	2000-2425	2000-2450	-25			
	SriGanganagar	2325	2300	+25			
	Kota	-	-		-	-	-
	Neewai	2350	-	-	-	-	-
	Ramganj		-		-	-	-
	Baran		-		-	-	-
	Arrivals in Rajasthan				270000		
	Delhi- C	2560	2570	-10			
	Katni (MP)				-	-	-
Groundnut Seed	Hapur (UP)	2525	-	-	-	-	-
Sunflower Seed	Rajkot	625	615	+10	4000	4000	Unch
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/qtl.

Other Oilseeds (Mumbai) 02-04-11 01-04-11 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 02.04.11

Country/ Continent	Currency	Value in Rupees	
		02.04.11	01.04.11
USA	Dollar	44.44	44.44
Europe	Euro	63.25	62.99
Japan	Yen	52.84	53.19
Britain	Pound Strlg.	71.63	71.38

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