

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

Firm sentiments witnessed in the mustard seed cash market on buying support in the seed. Weakness in BMD CPO failed to influence the local seed market. India's mustard seed market follows Malaysian Palm oil.

- Improved purchases in the seed from stockists and millers remained the major factor which supported the seed prices. Increased buying is witnessed as market participants feel that the current lower prices are unlikely to sustain at lower level now and may move upwards.
- The arrivals in Rajasthan continue to rise and today they are reported at 4.20 lakh bags (85 kg each) compared to 4.0 lakh bags previous day. The supplies are likely to further rise with harvest in full swing in Ganganagar and Hanumangarh in Rajasthan.
- However, sluggish demand in mustard oil discouraged the millers from aggressive buying and crushing the seed. But stockists are keen in purchases.
- The millers are looking for the overseas market for mustard seed DOC exports ahead of improvement in the seed crushing expected in due course. Any overseas DOC demand will lend support to the mustard seed prices.

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 plant delivery price at Indore were quoted lower key centers in Madhya Pradesh followed by slow down in soy meal exports and losses in international vegoil market.

- The major market centers in Madhya Pradesh remained closed followed by *Jhulelal Jayanti* on Tuesday.
- Again, no arrivals were reported in Indore mandi and insignificant arrivals witnessed in the Madhya Pradesh.
- Overall, the sentiments remain weak due to sluggish exports demand in soy meal of Indian origin. This is due to demand shift followed by attractive price offer in the meal by South America with their new soybean crop arrival. Currently, the spread between Indian soy meal quotes (FAS Kandla USD/MT) and FOB Argentina is ruling higher at USD 32/MT which is above previous day's level of USD 27/MT.
- However, recent imports of meal by Japan of about 60,000 tonnes soy.meal from India this week supported the domestic crush margin in soybean. The Japan's demand eased after earthquake and tsunami and nuclear disaster. Japan bought Indian soy meal at \$435-\$439 per tonne, including cost and freight, said a top exporter. The crush margin has improved to Rs 90/MT compared to an average monthly, March, crush margin of Rs - 246/MT. If sustained, the improved crush margin is expected to support the local soybean prices in days ahead.

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 reflects uptrend in the prices.
- Prices closed above 9-day and 18-day EMA, indicating bullish momentum in near and medium-term.
- MACD is heading upwards in negative territory.
- RSI is rising in neutral zone while stochastic moving up in overbought zone.

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

Trade Recommendation – Soybean NCDEX (May)

| Call | Entry | T1 | T2 | SL |
|----------------------|-------|------|------|------|
| BUY | >2426 | 2436 | 2441 | 2421 |
| Support & Resistance | | | | |
| S2 | S1 | PCP | R1 | R2 |
| 2400 | 2414 | 2431 | 2479 | 2500 |

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

- Candlestick chart pattern reflects indecision in the market. A side-ways move is evident during the session.
- Prices closed above 9-day EMA indicating gains in near -term.
- MACD is rising in negative territory.
- RSI is easing in neutral region while stochastic is rising in neutral zone.

The Mustard prices are likely to witness both-sided movement during the Wednesday's session.

Trade Recommendation – Rapeseed NCDEX (May)

| Call | Entry | T1 | T2 | SL |
|----------------------|-------|------|------|------|
| Wait | - | - | - | - |
| Support & Resistance | | | | |
| S2 | S1 | PCP | R1 | R2 |
| 2721 | 2738 | 2756 | 2778 | 2798 |

**NCDEX RM Seed Price Spread**

| NCDEX Spread | Apr | May | Jun | Jul |
|--------------|-----|-----|-----|-----|
| Apr | 0 | 57 | 111 | 159 |
| May | - | 0 | 54 | 102 |
| 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 | 45 | 83 | 113 |
| May | - | 0 | 38 | 68 |
| Jun | - | - | 0 | 30 |
| Jul | - | - | - | 0 |

*Far Month Contract Vs Near Month Contract.

Oilseed Prices at Key Markets

| Commodity | Centre | Prices (Rs/Qtl) | | Change | Arrivals (Bags) | | Change |
|------------------|----------------------------|-----------------|------------|--------|-----------------|------------|--------|
| | | 05/04/2011 | 04/04/2011 | | 05/04/2011 | 04/04/2011 | |
| Soybean | Indore -P | 2300-2350 | 2320-2360 | -10 | | | |
| | Indore -M | Closed | Closed | - | | | |
| | Arrivals in Madhya Pradesh | | | | Closed | Closed | |
| | Nagpur-P | | 2350-2400 | | | | |
| | Nagpur - M | | Closed | | | | |
| | Kota-P | | 2300-2330 | | | | |
| | Kota - M | | 2250-2300 | | | | |
| Rapeseed/Mustard | Jaipur - C | 2600 | 2580 | +20 | | | |
| | Alwar - C | 2450 | 2000-2425 | +25 | | | |
| | SriGanganagar | 2300 | 2320 | -20 | | | |
| | Kota | | | | | - | - |
| | Neewai | 2365 | 2360 | +5 | - | - | - |
| | Ramganj | | - | | - | - | - |
| | Baran | | - | | - | - | - |
| | Arrivals in Rajasthan | | | | 4200000 | 400000 | +20000 |
| | Delhi- C | 2520 | 2515-2520 | Unch | | | |
| | Katni (MP) | | | | - | - | - |
| Groundnut Seed | Hapur (UP) | 2530 | 2525 | +5 | - | - | - |
| | Rajkot | 625 | 625 | Unch | 6000 | 6000 | Unch |
| Sunflower Seed | Latur | Closed | 2950-3250 | 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) 05-04-11 04-04-11 Change

| | | | |
|---------------------------|------|---|---|
| Niger Seed (4% FM) | 3200 | - | - |
| Sesame White 98/2/1 FM | 5050 | - | - |
| Sunflower Seed | 3500 | - | - |
| Kardi Seed 2% Exp Quality | 2400 | - | - |
| Groundnut Kernel | 4000 | - | - |
| Castor Seed | 5400 | - | - |
| Prices are in INR/100 kg. | | | |

FOREX RATES as on 05.04.11

| Country/ Continent | Currency | Value in Rupees | |
|-----------------------|-----------------|-----------------|----------|
| | | 05.04.11 | 02.04.11 |
| USA | Dollar | 44.45 | 44.25 |
| Europe | Euro | 63.01 | 62.98 |
| Japan | Yen | 52.69 | 52.57 |
| Britain | Pound Strlg. | 71.58 | 71.50 |

DISCLAIMER

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>