

Oilseed Summary

Oilseed prices feature upward move on buying support in mustard seed. However, bearish sentiments in soybean and higher output estimates in domestic mustard seed restrict the gains. With South American exporters marketing new crop soy meal aggressively, demand for Indian meal continue to decline leading to weakness in local soybean prices.

Spot Market Analysis: Rapeseed/Mustard Seed

Mustard seed prices witnessed uptrend in cash market on continued buying support in the seed.

- The arrivals in Rajasthan remained steady at 4.50 lakh bags (85 kg each) compared to previous day's level. The supplies are already higher at these levels and may slightly increase and tune to the level of 4.7 - 5.0 lakh bags in a week.
- Good buying support in the seed remained a supportive factor for the seed market. Both stockists and millers are seen active in the market.
- As per latest release by Solvent Extractors' Association of India, the export data of mustard seed DOC for the month of March 2010 is reported to 1.28 lakh tonnes compared to 0.40 lakh tonnes in the corresponding period of the previous year. In April Indian is expected to export about 1.5 lakh tones in view of improved crushing as reported by the market sources.
- No fresh demand in the mustard oil noticed in the market. Millers are buying the seed hand to mouth due to slack in the oil demand. The mustard oil demand falls during summer.
- Currently, about 8 per cent of moisture is reported in the seed and 5 per cent moisture level is considered to be an ideal for crushing the seed. The buying in the seed is expected to improve further with the decline in moisture content in the seed.

Mustard seed prices are likely to gain on active market participation by stockists followed by good buying in the seed.

Spot Market Analysis: Soybean

Soybean prices gained in the cash market on buying support in conjunction with mustard seed prices and supportive higher international vegoil market.

- Arrivals in Madhya Pradesh are reported steady at 25000 bags (90 kg each) compared with the previous day's level.
- Crushers remained keen in bean purchases ahead of Ram Navmi (*Saptami, Ashtami and Navmi*). Dull trade activity is noticed during the period in the major crushing and producing belt.
- India's better than expected exports figure in soy meal in the month of March at 410,537 MT vs 163,666 MT in the corresponding period last year is expected to support the rising soybean local prices.
- However, the current soybean crush margin stands negative at Rs -700/MT compared to an average monthly, March, crush margin of Rs -246/MT. Negative margin is expected to contribute poor crushing in beans during the month. Any shipment in Indian soy meal will improve the crush margin.
- The pace of Argentina's soybean harvest picked up over the last week. As of now, over 14% of the soybean crop has been harvested, with final production estimated at 48.8 million metric tons.
- Soybean production in Brazil is expected to turn out higher than expected. In its latest release, CONAB raised its soybean crop estimate to a record 72.2 Mn T against government's estimate of 71.5 Mn T.

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 reveals uptrend in the price.
- Prices closed above 9-day and 18-day EMA, indicating bullish momentum in near and medium-term.
- MACD is heading upwards in positive territory.
- RSI and stochastic are moving up in overbought zone, warranting correction.

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

Trade Recommendation – Soybean NCDEX (May)

Call	Entry	T1	T2	SL
BUY	>2486	2496	2501	2481
Support & Resistance				
S2	S1	PCP	R1	R2
2435	2473	2491	2524	2561



RAPSEED

Technical Analysis:

- Candlestick chart pattern reflects side-ways movement in the market.
- Prices closed above 9-day and 18-day EMA indicating gains in near and medium-term.
- MACD is rising in negative territory.
- RSI is easing in neutral region while stochastic is easing in overbought zone.

The Mustard prices are likely to witness both way price movement during Monday's session.

Trade Recommendation – Rapeseed NCDEX (May)

Call	Entry	T1	T2	SL
Wait	-	-	-	-
Support & Resistance				
S2	S1	PCP	R1	R2
2735	2759	2790	2825	2856



NCDEX RM Seed Price Spread

NCDEX Spread	Apr	May	Jun	Jul
Apr	0	59	110	156
May	-	0	51	97
Jun	-	-	0	46
Jul	-	-	-	0

*Far Month Contract Vs Near Month Contract.

NCDEX Soy Seed Price Spread

NCDEX Spread	Apr	May	Jun	Jul
Apr	0	44	78	110
May	-	0	34	66
Jun	-	-	0	32
Jul	-	-	-	0

*Far Month Contract Vs Near Month Contract.

Oilseed Prices at Key Markets

Commodity	Centre	Prices (Rs/Qtl)		Change	Arrivals (Bags)		Change
		09/04/2011	08/04/2011		09/04/2011	08/04/2011	
Soybean	Indore -P	2400-2450	2375-2415	+35			
	Indore -M	2300-2350	2275-2330	+20			
	Arrivals in Madhya Pradesh				25000	25000	Unch
	Nagpur-P		2430-2475		-	-	-
	Nagpur - M		2330-2400		-	-	-
	Kota-P		2370-2420		-	-	-
	Kota - M		2300-2360		-	-	-
Rapeseed/Mustard	Jaipur - C	2650	2635	+15			
	Alwar - C	2475	2450	+25			
	SriGanganagar	2400	2350	+50			
	Kota		2400			-	-
	Neewai	2400	2380	+20	-	-	-
	Arrivals in Rajasthan				450000	450000	Unch
	Delhi- C	2525	2500	+25			
	Katni (MP)				-	-	-
Groundnut Seed	Hapur (UP)	2550	2550	Unch	-	-	-
Groundnut Seed	Rajkot	650	640	+10	5000	4000	+1000
Sunflower Seed	Latur	3200-3300	3000-3300	Unch	1000	3000	-2000

*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/ctl.

Other Oilseeds (Mumbai) 09-04-11 08-04-11 Change

Niger Seed (4% FM)	3175	3200	-25
Sesame White 98/2/1 FM	5050	5050	Unch
Sunflower Seed	3500	3500	Unch
Kardi Seed 2% Exp Quality	2490	2450	+40
Groundnut Kernel	4075	4050	+25
Castor Seed	5515	5500	+15
Prices are in INR/100 kg.			

FOREX RATES as on 08.04.11

Country/ Continent	Currency	Value in Rupees	
		09.04.11	08.04.11
USA	Dollar	44.08	44.04
Europe	Euro	63.62	63.40
Japan	Yen	51.96	51.75
Britain	Pound Strlg.	72.06	72.19

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