

Oilseed Summary

Oilseed prices feature weakness. 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 depicted mixed sentiment on the day. Persisting higher seed arrival levels and weak demand reported for mustard oil from refiners continue to pressure the sentiment, although.

- The arrivals in Rajasthan increased and reported at 4.5 lakh bags compared to 3.5 lakh bags reported a day earlier. The increased supplies remained negative factor for seed market and pressured the seed prices.
- According to market sources, demand for mustard oil from Refiners remains poor. Market participants further suggest that demand should have been higher by now but the same is not becoming the case as retail demand remains weak.
- Going forward demand for mustard oil is likely to pick up which may affect demand for seed as well, thereby laying down support beneath drifting price.
- Overall, the majority of the buyers of the seed are stockists or those who have holding capacity, who will off-load the produce later when prices move up.
- The crushing is expected to improve with the decline in the moisture content in the seed. The average reported moisture content in the seed stands at 8 per cent and the fall to 5 per cent is expected to rise the crushing in the seed.
- The millers are looking for the opportunity for the mustard seed DOC exports ahead of improvement in the crushing. India exported about 1.28 lakh tones of DOC vs 0.40 lakh tones in the corresponding period last year. India's exports of rapeseed meal rocketed by 91% to 0.55 Mn T in Oct/March 2010/11.
- The trade sources expect India to export about 1.5 lakh tones of mustard seed DOC looking at the rise in March exports.

Mustard seed prices are likely to gain on active market participation by stockists with good buying in the seed. Likely catch up in Mustard oil demand is likely to back the same.

Spot Market Analysis: Soybean

Weak sentiments were noticed in the soybean cash market on sluggish buying activity. Weakness in CBOT Soybean also added to the pessimism. Internationally, ongoing normal harvest pace in Brazil and Argentina and likely cool off in China's soy demand in the months ahead remain negative drivers.

- Arrivals in Madhya Pradesh remain steady at 35000 bags that is same as the previous day.
- The solvent extractors are not keen in aggressive crushing in the beans due to disparity in soybean crushing, currently at Rs -158/MT. Slow down in the Indian soy meal shipment has contributed to the disparity in soybean crush margin.
- The exports of soy meal are hit due to the demand shift of major buyers of Indian meal owing to competitive price offer. Currently, the spread between Indian soy meal quotes (FAS Kandla USD/MT) and FOB Argentina is ruling higher at USD 50/MT which is above previous week's level of USD 37/MT.
- *International developments: Argentina's 2010/11 soy harvest is expected to come in at 49.2 million tonnes, compared with a previous prediction of 48.8 million tonnes, the Buenos Aires Grains Exchange*
- *Chinese buyers have cancelled at least three soybean cargoes and are in talks to cancel or defer more shipments, responding to poor margins and Beijing's plan to release state reserves to counter food inflation.*

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 downtrend in the price.
- Prices closed below 9-day EMA, indicating bullish momentum in near -term.
- MACD is easing in positive territory.
- RSI and stochastic are declining in neutral zone.

Trade Recommendation – Soybean NCDEX (May)

Call	Entry	T1	T2	SL
SELL	<2428	2415	2400	2440
Support & Resistance				
S2	S1	PCP	R1	R2
2399	2411	2417	2428	2545

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

- Price trend remain ranged with weak bias.
- Candlestick chart pattern reflects bears remain around.
- Prices closed below 9-day and 18-day EMA indicating bearish momentum in near and medium-term.
- MACD is easing in negative territory.
- RSI is rising in neutral region while stochastic is easing in neutral zone.

Trade Recommendation – Rapeseed NCDEX (May)

Call	Entry	T1	T2	SL
SELL	<2728	2715	2695	2743
Support & Resistance				
S2	S1	PCP	R1	R2
2682	2695	2713	2725	2748

**NCDEX RM Seed Price Spread**

NCDEX Spread	Apr	May	Jun	Jul
April	0	32	79	126
May	32	0	47	94
Jun	79	47	0	47
Jul	126	94	47	0

*Far Month Contract Vs Near Month Contract.

Oilseed Prices at Key Markets

Commodity	Centre	Prices (Rs/Qtl)		Change	Arrivals (Bags)		Change
		15/04/2011	13/04/2011		15/04/2011	13/04/2011	
Soybean	Indore -P	2340-2380	2340-2390	-10			
	Indore -M	2240-2300	2260-2310	-10			
	Arrivals in Madhya Pradesh				35000	35000	Unch
	Nagpur-P	2350-2430	2380-2440	-10	-	-	-
	Nagpur - M	2300-2330	2330-2380	-50	25000	25000	-
	Kota-P	2370-2400	2380-2430	-30	-	-	-
	Kota - M	2300-2330	2325-2390	-60	7000	5000	+2000
Rapeseed/Mustard	Jaipur - C	2620	2625	-5			
	Alwar - C	2475	2425	+50			
	SriGanganagar	2300	2350	-50			
	Kota	2400-2425	2500	-75	15000	5000	-
	Neewai	-	2380	-	-	-	-
	Arrivals in Rajasthan				450000	500000	-50000
	Delhi- C	2500	2510	-10			
	Katni (MP)	-	-		-	-	-
	Hapur (UP)	-	2550	-	-	-	-
Groundnut Seed	Rajkot	640	635	-5	6000	6000	Unch
Sunflower Seed	Latur	28000-32000	-	-	-	-	-

*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)

	15/04/2011	13/04/2011	Change
Niger Seed (4% FM)	3150	3170	-20
Sesame White 98/2/1 FM	5125	5125	Unch
Sunflower Seed	3450	3450	Unch
Kardi Seed 2% Exp Quality	2550	2500	+50
Groundnut Kernel	4100	4125	-25
Castor Seed	5175	5300	-125
Prices are in INR/100 kg.			

FOREX RATES as on 15.04.11

Country/ Continent	Currency	Value in Rupees	
		15.04.11	13.04.11
USA	Dollar	44.52	44.48
Europe	Euro	64.41	64.42
Japan	Yen	53.48	52.90
Britain	Pound Strlg.	72.71	72.36

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>