

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 mostly noticed steady sentiments on regular buying in the seed on Tuesday. Higher supply in the seed in physical market and fall in Malaysian palm oil restricted upside in the seed price.

- The arrivals in Rajasthan are remained steady at 4.5 lakh bags (85 kg each) compared with previous day. The supply this year increased substantially compared to the last year when the arrivals in Rajasthan were recorded around 2.0 lakh bags in the corresponding period last year.
- Both the stockists and the millers who have the holding capacity are keen in buying the seed in anticipation of higher prices in medium-term and long-term. Any fresh demand from eastern states will lend support to the seed prices. The eastern states start receiving pre-monsoonal rains from April onwards this may improve the demand in the oil.
- Currently, the mustard oil demand remains weak and hence no aggressive buying by the millers or those who are not competent in holding the seed stock long.
- The moisture content in the seed is reported to have declined to 6-7 per cent from earlier 8-9 per cent. Moisture content below 6 per cent is considered ideal for crushing.
- As per trade sources India is expected to export above 1.5 lakh tones of mustard seed DOC in April 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 expected to back the same.

Spot Market Analysis: Soybean

Firm sentiments noticed in the domestic soybean market followed by improved buying after recent closure of major physical markets on account of holidays and supportive international soybean market.

- The arrivals in Madhya Pradesh are recorded higher at 35000 bags (90 kg each) which is above normal arrivals of 25000 bags in a day. The sellers are keen in off-loading the beans at the current price level.
- No fresh soy meal exports enquiries from major South Asian countries reported today. Poor exports in the meal have contributed to the disparity in crushing soybean. Currently the disparity is recorded at Rs -294/MT compared to average monthly March disparity of Rs -246/MT. This has discouraged the active participation of solvent extractors in soybean.
- Currently, the spread between Indian soy meal quotes (FAS Kandla USD/MT) and FOB Argentina is ruling higher at USD 43/MT compared to weekly average quote of USD 36/MT, last week. The attractive price offer has diverted the meal demand towards South America.
- IMD's long range forecast for the 2011 south-west monsoon season (June to September) is that the rainfall for the country as a whole is most likely to be Normal (96-104% of Long Period Average (LPA)). There is very low probability for season rainfall to be deficient (below 90% of LPA) or excess (above 110% of LPA). This may encourage farmers to go for early planting in the soybean.
- World soybean crushings are likely to increase by around 19 Mn T to 226.3 Mn T in Sept/Aug 2010/11. Most of this already occurred in the first half of the season owing to insufficient supplies of other oilseeds and products.

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 buying interest in the market.
- Prices closed below 9-day and 18-day EMA, indicating bearish momentum in near and medium-term.
- MACD is easing in positive territory.
- RSI is rising in neutral zone while stochastic is declining in neutral region.

Soybean prices are likely to improve in Wednesday's session.

Trade Recommendation – Soybean NCDEX (May)

| Call | Entry | T1 | T2 | SL |
|----------------------|-------|------|------|------|
| BUY | >2425 | 2435 | 2440 | 2420 |
| Support & Resistance | | | | |
| S2 | S1 | PCP | R1 | R2 |
| 2380 | 2395 | 2430 | 2439 | 2450 |

**RAPSEED****Technical Analysis:**

- Candlestick chart pattern reveals buying support in the market.
- 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 oversold zone.

Mustard seed prices are likely to gain in Wednesday's session.

Trade Recommendation – Rapeseed NCDEX (May)

| Call | Entry | T1 | T2 | SL |
|----------------------|-------|------|------|------|
| BUY | >2705 | 2715 | 2720 | 2700 |
| Support & Resistance | | | | |
| S2 | S1 | PCP | R1 | R2 |
| 2760 | 2675 | 2710 | 2719 | 2738 |



Oilseed Prices at Key Markets

| Commodity | Centre | Prices (Rs/Qtl) | | Change | Arrivals (Bags) | | Change |
|------------------|----------------------------|-----------------|------------|--------|-----------------|------------|--------|
| | | 19/04/2011 | 18/04/2011 | | 19/04/2011 | 18/04/2011 | |
| Soybean | Indore -P | 2350-2400 | 2340-2380 | +20 | | | |
| | Indore -M | 2340-2380 | Closed | - | | | |
| | Arrivals in Madhya Pradesh | | | | 35000 | Closed | - |
| | Nagpur-P | 2320-2430 | 2360-2415 | +15 | - | - | - |
| | Nagpur - M | 2300-2340 | 2280-2330 | +10 | | | |
| | Kota-P | 2360-2400 | 2330-2360 | +40 | - | - | - |
| | Kota - M | 2280-2340 | 2280-2340 | Unch | | | |
| Rapeseed/Mustard | Jaipur - C | 2580 | 2590 | -10 | | | |
| | Alwar - C | 2450 | 2450 | Unch | | | |
| | SriGanganagar | 2300 | 2300 | Unch | | | |
| | Kota | | | | | | |
| | Neewai | 2355 | 2380 | -25 | - | - | - |
| | Arrivals in Rajasthan | | | | 450000 | 450000 | Unch |
| | Delhi- C | 2515 | 2490 | +25 | | | |
| | Katni (MP) | - | - | | - | - | - |
| Groundnut Seed | Hapur (UP) | 2530 | - | - | - | - | - |
| | | | | | | | |
| Sunflower Seed | Rajkot | 640 | 640 | Unch | 6000 | 6000 | 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)

| | 19/04/2011 | 18/04/2011 | Change |
|---------------------------|------------|------------|--------|
| Niger Seed (4% FM) | 3100 | 3150 | -50 |
| Sesame White 98/2/1 FM | 5125 | 5125 | Unch |
| Sunflower Seed | 3450 | 3450 | Unch |
| Kardi Seed 2% Exp Quality | 2500 | 2500 | Unch |
| Groundnut Kernel | 4050 | 4050 | Unch |
| Castor Seed | 5125 | 5150 | -25 |
| Prices are in INR/100 kg. | | | |

FOREX RATES as on 19.04.11

| Country/ Continent | Currency | Value in Rupees | |
|-----------------------|-----------------|-----------------|----------|
| | | 19.04.11 | 18.04.11 |
| USA | Dollar | 44.68 | 44.27 |
| Europe | Euro | 63.53 | 63.66 |
| Japan | Yen | 54.18 | 53.40 |
| Britain | Pound Strlg. | 72.56 | 72.07 |

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