

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 are mostly witnessed firm followed by decline in supplies in the seed and supportive Malaysian palm oil on Wednesday.

- The arrivals in Rajasthan declined and reported at 4.0 lakh bags (85 kg each) compared to 4.5 lakh bags a day ago. However the supply this year increased significantly compared to 2.0 - 2.5 lakh bags in the corresponding period last year.
- The dematted stock position of rapeseed mustard at NCDEX accredited warehouses as on 19 April 2011 stands at 62832 MT.
- The mustard seed market is backed by good buying support mainly by stockists followed by millers with holding capacity in medium-term, these buyers anticipate the seed price to move higher by in medium to long term.
- Slack in mustard oil demand continue to discourage the millers from aggressive buying in the seed. 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.
- 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

Soybean plant delivery price in Indore were quoted higher on firm global cues while mandi prices of the same is witnessed lower due to sluggish buying activity in soybean.

- The arrivals in Madhya Pradesh are reported higher at 45000 bags (90 kg each) compared to 35000 bags previous day. The sellers are keen in off-loading the beans at the current price level.
- Sluggish overseas meal demand followed by demand shift to South America continues to remain a negative factor for the domestic soybean market. This has subsequently lead to disparity in crushing the beans. Currently the disparity is recorded at Rs -528/MT compared to average monthly March disparity of Rs -246/MT. This has again discouraged the active participation of solvent extractors in soybean.
- Attractive price offer in soy meal by South America 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 45/MT compared to weekly average quote of USD 36/MT, last week.
- Argentina temperatures declined in recent days and there is now the risk of frost damage. This may lend support to the international soybean prices.

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 support in the market.
- Prices closed above 9-day and 18-day EMA, indicating bullish momentum in near and medium-term.
- MACD is rising in positive territory.
- RSI is rising in neutral zone while stochastic is declining in oversold region.

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

Trade Recommendation – Soybean NCDEX (May)

Call	Entry	T1	T2	SL
BUY	>2430	2440	2445	2425
Support & Resistance				
S2	S1	PCP	R1	R2
2409	2418	2435	2450	2460

**RAPESEED****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 rising in positive territory.
- RSI is rising in neutral region while stochastic is heading upwards in oversold zone.

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

Trade Recommendation – Rapeseed NCDEX (May)

Call	Entry	T1	T2	SL
BUY	>2721	2731	2736	2731
Support & Resistance				
S2	S1	PCP	R1	R2
2685	2700	2726	2739	2750

**NCDEX RM Seed Price Spread**

NCDEX Spread	May	Jun	Jul	Aug
May	0	48	89	134
Jun	-	0	41	86
Jul	-	-	0	45
Aug	-	-	-	0

*Far Month Contract Vs Near Month Contract.

NCDEX Soy Seed Price Spread

NCDEX Spread	May	Jun	Jul	Aug
May	0	33	60	85
Jun	-	0	27	52
Jul	-	-	0	25
Aug	-	-	-	0

*Far Month Contract Vs Near Month Contract.

Oilseed Prices at Key Markets

Commodity	Centre	Prices (Rs/Qtl)		Change	Arrivals (Bags)		Change
		20/04/2011	19/04/2011		20/04/2011	19/04/2011	
Soybean	Indore -P	2370-2410	2350-2400	+10			
	Indore -M	2260-2310	2340-2380	-70			
	Arrivals in Madhya Pradesh				45000	35000	+10000
	Nagpur-P	2380-2445	2320-2430	+15	-	-	-
	Nagpur - M	2300-2350	2300-2340	+10			
	Kota-P	2380-2420	2360-2400	+20	-	-	-
	Kota - M	2300-2340	2280-2340	Unch			
Rapeseed/Mustard	Jaipur - C	2620	2580	+40			
	Alwar - C	2450	2450	Unch			
	SriGanganagar	2350	2300	+50			
	Kota	2450	2400-2420	+30			
	Neewai	2375	2355	+20	-	-	-
	Arrivals in Rajasthan				400000	450000	-50000
	Delhi- C	2505	2515	-10			
	Katni (MP)		-		-	-	-
Groundnut Seed	Hapur (UP)	2550	2530	+20	-	-	-
	Rajkot	640	640	Unch	5000	6000	-1000
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)

	20/04/2011	19/04/2011	Change
Niger Seed (4% FM)	3100	3100	Unch
Sesame White 98/2/1 FM	5125	5125	Unch
Sunflower Seed	3425	3450	-25
Kardi Seed 2% Exp Quality	2525	2500	+25
Groundnut Kernel	4100	4050	+50
Castor Seed	5180	5125	+55
Prices are in INR/100 kg.			

FOREX RATES as on 20.04.11

Country/ Continent	Currency	Value in Rupees	
		20.04.11	19.04.11
USA	Dollar	44.38	44.68
Europe	Euro	63.92	63.53
Japan	Yen	53.54	54.18
Britain	Pound Strlg.	72.55	72.56

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