

## Oilseed Summary

*Oilseed prices feature gains on buying support in the domestic market. 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 noticed gains on good buying support at the current quotes on Wednesday.*

- The arrivals in Rajasthan remained steady at 4.0 lakh bags (85 kg each) compared with the previous day's level. About 1.8 - 1.9 lakh bags of the seed arrivals were registered in the corresponding period last year. The arrivals fell across the major centers compared to the previous week's level.
- Stockists remained the major buyers in the cash market while sluggish buying activity noticed in millers attributed to weak demand in the mustard oil at retail.
- The mustard oil retailers expect fresh demand in the oil from pickle industry after second week of May.
- The moisture content in the seed is reported to have declined to 5-6 per cent from earlier 7-8 per cent. Moisture content below 6 per cent is considered ideal for crushing.
- The mustard seed millers are expecting India's mustard seed DOC exports to reach above 1.5 lakh tones in the month of April. This is in the view of better exports in the same in the month of March. The millers continue to explore the opportunity in the DOC 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 were quoted slightly higher while the mandi prices eased on lackluster trade in physical market.*

- The arrivals in Madhya Pradesh are remained steady at 43000 bags (90 kg each) compared with the previous day's level.
- The domestic soybean growers hope the area to under soybean to remain normal or close to previous year's level after IMD's report of normal monsoon this season. India planted soybean in 9.03 million ha in 2010. India's soybean market is determined by the monsoon, which subsequently determines the size of the soybean area.
- Solvent extractors have lowered their bean purchases due to disparity in crushing the soybean. This is due to the slow down in the soy meal exports followed by demand shift to South America owing to competitive price offer by the region.
- Currently, the spread between Indian soy meal quotes (FAS Kandla USD/MT) and FOB Argentina is ruling higher at USD 32/MT compared USD 17/MT, in the corresponding period last month.
- In the international front Argentina's soybean harvesting made good progress with almost 10.0 Mn ha done by the end of the last week.
- The major international soybean price determinant besides weather conditions in the US currently is the further development of Chinese import demand. China is taking up measures to curb it's inflation, this may discourage soybean imports. Besides, China has slowed its purchasing amid high port inventories and comfortable supplies at crushing plants.

*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.*

## Spot Market Analysis: Other Oilseeds

- The domestic groundnut prices and supply in key center of Rajkot is witnessed stable between at Rs.625-640/20 kg while arrivals stand around 5000-6000 bags per day. The *kharif* groundnut sowing in Gujarat will start in early June after a spell. It is premature to comment on the planting intention of the groundnut cultivators.

**SOYBEAN****Technical Analysis:**

- Candlestick chart pattern reflects selling pressure 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 easing in neutral zone while stochastic is rising in neutral region.

*Soybean prices are likely to fall in Thursday's session.*

**Trade Recommendation – Soybean NCDEX (May)**

Call	Entry	T1	T2	SL
<b>SELL</b>	<b>&lt;2413</b>	<b>2403</b>	<b>2397</b>	<b>2429</b>
Support & Resistance				
S2	S1	PCP	R1	R2
2379	2392	2407.5	2445	2462

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

- Candlestick chart pattern reveals prices could not sustain at higher levels.
- Prices closed below 9-day and 18-day EMA indicating bearish momentum in near and medium-term.
- MACD is rising in negative territory.
- RSI is easing in neutral region while stochastic is heading upwards in neutral zone.

*Mustard seed prices may witness fall in Thursday's session.*

**Trade Recommendation – Rapeseed NCDEX (May)**

Call	Entry	T1	T2	SL
<b>SELL</b>	<b>&lt;2739</b>	<b>2729</b>	<b>2724</b>	<b>2744</b>
Support & Resistance				
S2	S1	PCP	R1	R2
2703	2712	2734	2762	2781

**NCDEX RM Seed Price Spread**

NCDEX Spread	May	Jun	Jul	Aug
<b>May</b>	0	51	103	146
<b>Jun</b>	-	0	52	95
<b>Jul</b>	-	-	0	43
<b>Aug</b>	-	-	-	0

**NCDEX Soy Seed Price Spread**

NCDEX Spread	May	Jun	Jul	Aug
<b>May</b>	0	41	74	104
<b>Jun</b>	-	0	33	63
<b>Jul</b>	-	-	0	30
<b>Aug</b>	-	-	-	0

\*Far Month Contract Vs Near Month Contract.

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## Oilseed Prices at Key Markets

Commodity	Centre	Prices (Rs/Qtl)		Change	Arrivals (Bags)		Change
		27/04/2011	26/04/2011		27/04/2011	26/04/2011	
Soybean	Indore -P	2360-2400	2340-2380	+20			
	Indore -M	2250-2300	2260-2310	-10			
	Arrivals in Madhya Pradesh				43000	43000	Unch
	Nagpur-P	2380-2440	2400-2440	Unch			
	Nagpur - M	2350-2400	2300-2360	+40			
	Kota-P	2380-2420	2380-2420	Unch			
	Kota - M	2300-2330	2300-2330	Unch			
Rapeseed/Mustard	Jaipur - C	2670	2650	+20			
	Alwar - C	2525	2500-2515	+10			
	SriGanganagar	2350-2370	2300-2350	+20			
	Kota	-	2650	-			
	Neewai	2420	2440	-20			
	Arrivals in Rajasthan				400000	400000	Unch
	Delhi- C	2590	2575	+15			
	Katni (MP)						
Groundnut Seed	Hapur (UP)	2560	2560	Unch			
	Rajkot	680	680	Unch	6000	5000	+1000
Sunflower Seed	Latur	3000-3200	-	-	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/qtl.

## Other Oilseeds (Mumbai)

27/04/2011 26/04/2011 Change

Niger Seed (4% FM)	3050	3100	-50
Sesame White 98/2/1 FM	5125	5125	Unch
Sunflower Seed	3400	3400	Unch
Kardi Seed 2% Exp Quality	2450	2500	-50
Groundnut Kernel	4200	4250	-50
Castor Seed	5158	5185	Unch
Prices are in INR/100 kg.			

## FOREX RATES as on 27.04.11

Country/ Continent	Currency	Value in Rupees	
		27.04.11	26.04.11
USA	Dollar	44.40	44.59
Europe	Euro	65.17	64.81
Japan	Yen	54.29	54.56
Britain	Pound Strlg.	73.26	73.49

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