

Oilseed Summary

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 witnessed gains in key centers supported by good buying in the seed at the current quotes on Thursday.

- The supplies in Rajasthan improved and reported at 4.5 lakh bags (85 kg each) compared to the previous day's level of 4.0 lakh bags. About 1.8 - 1.9 lakh bags of the seed arrivals were registered in the corresponding period last year.
- Stockists continue to be the major buyer of the seed while no active participation of millers seen in the physical market due to the slack in the mustard oil demand at retail. Stockists are expected to off-load the seed once the seed prices will move.
- The mustard oil retailers expect fresh demand in the oil from pickle industry after second week of May. Besides, the prices witness gain with the onset of the monsoon followed by the rise in mustard oil demand.
- 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 prices declined on weak buying in the beans followed by poor crushing demand.

- The arrivals in Madhya Pradesh increased and reported at 45000 bags (90 kg each) compared to 43000 bags a day earlier.
- Poor crushing followed by disparity in crush margin attributed to weakness in soy meal exports demand continues to pressure the domestic soybean prices. The Indian soy meal exports are hit due to the attractive price offer by South America.
- Currently, the spread between Indian soy meal quotes (FAS Kandla USD/MT) and FOB Argentina is ruling higher at USD 33/MT compared USD 17/MT, in the corresponding period last month.
- The soybean crush margin disparity is recorded at Rs -288/MT compared to average monthly March disparity of Rs -246/MT.
- Oil World has raised their Brazilian soybean production estimate to a record 72.5 Mn T from earlier 72 Mn T.
- 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 side-ways movement in the .
- 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 easing in neutral region.

Soybean prices are likely to witness both way price movement in Friday's session.

Trade Recommendation – Soybean NCDEX (May)

Call	Entry	T1	T2	SL
Wait	-	-	-	-
Support & Resistance				
S2	S1	PCP	R1	R2
2396	2408	2418	2436	2449



RAPESEED

Technical Analysis:

- Candlestick chart pattern reveals range-bound movement in prices.
- Prices closed above 9-day and 18-day EMA indicating bullish momentum in near and medium-term.
- MACD is rising in negative territory.
- RSI is and stochastic is heading upwards in neutral zone.

Mustard seed prices may witness gains in Friday's session.

Trade Recommendation – Rapeseed NCDEX (May)

Call	Entry	T1	T2	SL
BUY	>2742	2752	2757	2737
Support & Resistance				
S2	S1	PCP	R1	R2
2719	2731	2747	2761	2780



NCDEX RM Seed Price Spread

NCDEX Spread	May	Jun	Jul	Aug
May	0	45	90	133
Jun	-	0	45	88
Jul	-	-	0	43
Aug	-	-	-	0

NCDEX Soy Seed Price Spread

NCDEX Spread	May	Jun	Jul	Aug
May	0	42	77.5	105
Jun	-	0	35.5	63
Jul	-	-	0	27.5
Aug	-	-	-	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
		28/04/2011	27/04/2011		28/04/2011	27/04/2011	
Soybean	Indore -P	2350-2390	2360-2400	-10			
	Indore -M	2250-2290	2250-2300	-10			
	Arrivals in Madhya Pradesh				45000	43000	+2000
	Nagpur-P	2400-2450	2380-2440	+10			
	Nagpur - M	2330-2370	2350-2400	-30			
	Kota-P	2400-2440	2380-2420	+20			
	Kota - M	2370-2400	2300-2330	+70			
Rapeseed/Mustard	Jaipur - C	2650	2670	-20			
	Alwar - C	2525	2525	Unch			
	SriGanganagar	2350-2390	2350-2370	+20			
	Kota	2650	-	-			
	Neewai	2420	2420	Unch			
	Arrivals in Rajasthan				450000	400000	+50000
	Delhi- C	2610	2590	+20			
	Katni (MP)						
Groundnut Seed	Hapur (UP)	-	2560	-			
	Rajkot	680	680	Unch	6000	6000	Unch
Sunflower Seed	Latur	2950-3400	3000-3200	+200	2000	2000	Unch

*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)

28/04/2011 27/04/2011 Change

Niger Seed (4% FM)	3050	3050	Unch
Sesame White 98/2/1 FM	5125	5125	Unch
Sunflower Seed	3400	3400	Unch
Kardi Seed 2% Exp Quality	2450	2450	Unch
Groundnut Kernel	4200	4200	Unch
Castor Seed	5200	5158	+32
Prices are in INR/100 kg.			

FOREX RATES as on 28.04.11

Country/ Continent	Currency	Value in Rupees	
		28.04.11	27.04.11
USA	Dollar	44.33	44.40
Europe	Euro	65.73	65.17
Japan	Yen	54.20	54.29
Britain	Pound Strlg.	74.13	73.26

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