

## 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 witnessed mixed trend on varied factors in various cash markets.*

- The mustard seed supply in Rajasthan remained steady at 4.0 lakh bags (85 kg each) compared to the previous day's level. About 1.5 - 1.7 lakh bags of the seed arrivals were registered in various mandis of Rajasthan in the corresponding period last year.
- Stockists remained the major buyers of the seed while millers purchased hand to mouth due to slack in mustard oil demand at retail.
- The stockists are expected to off-load their seed stock when the prices of the seed move up after cooling-off in the supply.
- The millers and mustard oil retailers expect the oil demand to improve with the fresh demand in the oil from pickle industry, expected after second week of May. Consumption of pickle increases in summers.
- The mustard seed millers continue to explore the opportunity in mustard seed DOC exports expecting better overseas demand in the same. India is expected to export above 1.5 lakh of DOC in April in view of better exports figure in the same in March.

*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 subdued buying followed by poor crushing coupled with weakness in international vegoil market on Monday.*

- The arrivals in Madhya Pradesh are reported steady at 30000 bags (90 kg each) compared to Saturday's level.
- Weak exports in soy meal due to the demand shift followed by competitive price offer by South America have pressured the domestic soybean and meal prices.
- Currently, the spread between Indian soy meal quotes (FAS Kandla USD/MT) and FOB Argentina is ruling higher at USD 44/MT compared to USD 15/MT, in the corresponding period last month.
- The soybean harvest in Brazil was 96% complete in the week ended on April 29, according to SAFRAS and Mercado report. Last week, the figure was 92%.
- Brazilian soybean exports are likely to hit 31 million tons in 2011, up 6% from 29.188 million tons shipped in 2010. The number is part of the supply and demand table of the soy complex, released by SAFRAS and Mercado
- In the international front Argentina's soybean harvesting made good progress with above 12.0 Mn ha done by the end of the last week.

*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 improved on demand and quoted at Rs.680/20 kg compared to the previous week's level of 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 range-bound movement with weak bias.
- Prices closed below 9-day and 18-day EMA, indicating bearish momentum in near and medium-term.
- MACD is easing in negative territory.
- RSI and stochastic are easing in neutral zone.

*Soybean prices are likely fall in Tuesday's session.*

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

Call	Entry	T1	T2	SL
<b>SELL</b>	<2406	2393	2388	2411
Support & Resistance				
S2	S1	PCP	R1	R2
2370	2390	2401	2418	2434

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

- Candlestick chart pattern reveals side-ways 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 easing in neutral region while stochastic are heading upwards in neutral zone.

*Mustard seed prices may remain range-bound in Tuesday's session.*

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

Call	Entry	T1	T2	SL
<b>WAIT</b>	-	-	-	-
Support & Resistance				
S2	S1	PCP	R1	R2
2721	2733	2749	2764	2772

**NCDEX RM Seed Price Spread**

NCDEX Spread	May	Jun	Jul	Aug
<b>May</b>	0	50	95	143
<b>Jun</b>	-	0	45	93
<b>Jul</b>	-	-	0	48
<b>Aug</b>	-	-	-	0

**NCDEX Soy Seed Price Spread**

NCDEX Spread	May	Jun	Jul	Aug
<b>May</b>	0	45	82.5	109
<b>Jun</b>	-	0	37.5	64
<b>Jul</b>	-	-	0	26.5
<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
		02/05/2011	30/04/2011		02/05/2011	30/04/2011	
Soybean	Indore -P	2350-2380	2350-2400	-20			
	Indore -M	2260-2310	2260-2310	Unch			
	Arrivals in Madhya Pradesh				30000	30000	Unch
	Nagpur-P	-	2425-2460	-			
	Nagpur - M	-	2370-2420	-			
	Kota-P	-	2370-2410	-			
	Kota - M	-	2280-2325	-			
Rapeseed/Mustard	Jaipur - C	2660	2650	+10			
	Alwar - C	2550	2550-2560	-10			
	SriGanganagar	2340	2360	-20			
	Kota	2410-2420	-	-			
	Neewai	2330	2330	Unch			
	Arrivals in Rajasthan				400000	400000	Unch
	Delhi- C	2610	2600	+10			
	Katni (MP)		-				
Groundnut Seed	Hapur (UP)	2700	2660	+40			
	Rajkot	680	680	Unch	5000	5000	Unch
Sunflower Seed	Latur	-	2900-3400	-	-	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)

	02/05/2011	30/04/2011	Change
Niger Seed (4% FM)	3100	3100	Unch
Sesame White 98/2/1 FM	5125	5125	Unch
Sunflower Seed	3400	3400	Unch
Kardi Seed 2% Exp Quality	2500	2500	Unch
Groundnut Kernel	4200	4200	Unch
Castor Seed	5100	5150	-50
Prices are in INR/100 kg.			

## FOREX RATES as on 02.05.11

Country/ Continent	Currency	Value in Rupees	
		02.05.11	30.04.11
USA	Dollar	44.30	44.22
Europe	Euro	65.57	65.64
Japan	Yen	54.37	54.54
Britain	Pound Strlg.	73.89	73.92

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