

Oilseed Summary

Overall, 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

Mixed sentiments are witnessed in the mustard seed cash markets on varied factors on Tuesday.

- The mustard seed supply in Rajasthan declined and reported at 3.5 lakh bags (85 kg each) compared to the previous day's level of 4.0 lakh bags. About 1.5 - 1.7 lakh bags of the seed arrivals were registered in various mandis of Rajasthan in the corresponding period last year.
- Regular buying is noticed in the seed and the buyers are mainly stockists. Millers are seen buying hand to mouth due to sluggish demand in the seed.
- The stockists anticipate the seed prices to move up once the supply pressure cools-off. They are expected to off-load their stock in lean season.
- Most of the trade with Delhi seed market is happening with Uttar Pradesh and Jammu and Kashmir followed by viability in transportation cost. Cost of freight from Delhi to Jammu stands at Rs115/qrtl.
- The mustard oil retailers expect the oil demand to improve with the fresh demand in the oil from local pickle industry, expected after second week of May. Consumption of pickle increases in summers.
- The mustard seed millers hope better exports opportunity in mustard seed DOC. India is expected to export above 1.5 lakh of DOC in April in view of better exports figure in the same in the month of 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 witnessed steady to weak tone followed by sluggish demand from solvent extractors.

- Dull activity was witnessed in the key markets of Madhya Pradesh due to *Amavasya* followed by fall in the seed supplies.
- The arrivals in Madhya Pradesh declined and reported at 10000 bags (90 kg each) compared to 30000 bags a day ago.
- Slack in soy meal exports 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 36/MT compared to USD 15/MT, in the corresponding period last month.
- 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
- Brazil's soymeal production must rise 6%, totalizing 28.7 million tons. Brazil's domestic consumption is projected at 13.6 million tons, up 5%. Exports are likely to grow 7% to 15 million tons. Ending stocks would climb 13% to 1.105 million.
- 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 remained steady at Rs.680/20 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-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 Wednesday's session.

Trade Recommendation – Soybean NCDEX (May)

Call	Entry	T1	T2	SL
SELL	<2389	2379	2374	2394
Support & Resistance				
S2	S1	PCP	R1	R2
2355	2380	2384	2408	2419

**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 Wednesday's session.

Trade Recommendation – Rapeseed NCDEX (May)

Call	Entry	T1	T2	SL
Wait	-	-	-	-
Support & Resistance				
S2	S1	PCP	R1	R2
2720	2729	2746	2758	2768

**NCDEX RM Seed Price Spread**

NCDEX Spread	May	Jun	Jul	Aug
May	0	49	94	142
Jun	49	0	45	93
Jul	94	45	0	48
Aug	142	93	48	0

NCDEX Soy Seed Price Spread

NCDEX Spread	May	Jun	Jul	Aug
May	0	45	82	110
Jun	45	0	37	65
Jul	82	37	0	28
Aug	110	65	28	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
		03/05/2011	02/05/2011		03/05/2011	02/05/2011	
Soybean	Indore -P	2340-2380	2350-2380	Unch			
	Indore -M	2240-2280	2260-2310	-30			
	Arrivals in Madhya Pradesh				10000	30000	-20000
	Nagpur-P	2380-2440	-	-			
	Nagpur - M	2350-2415	-	-			
	Kota-P	2360-2400	-	-			
	Kota - M	2280-2320	-	-			
Rapeseed/Mustard	Jaipur - C	2650	2660	-10			
	Alwar - C	2550	2550	Unch			
	SriGanganagar	2400	2340	+40			
	Kota	Closed	2410-2420	-			
	Neewai	2450	2330	+20			
	Arrivals in Rajasthan				350000	400000	-50000
	Delhi- C	2610	2610	Unch			
	Katni (MP)						
Groundnut Seed	Hapur (UP)	2690	2700	-10			
	Rajkot	680	680	Unch	5000	5000	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)

	03/05/2011	02/05/2011	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	5050	5100	-50
Prices are in INR/100 kg.			

FOREX RATES as on 03.05.11

Country/ Continent	Currency	Value in Rupees	
		03.05.11	02.05.11
USA	Dollar	44.3	44.30
Europe	Euro	65.77	65.57
Japan	Yen	54.79	54.37
Britain	Pound Strlg.	73.77	73.89

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