

## 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

*Weak sentiments were featured in the mustard seed market due to poor demand in mustard oil coupled with fall in international vegoil market.*

- The mustard seed supply in Rajasthan improved and reported at 4.0 lakh bags (85 kg each) compared to the previous day's level of 3.5 lakh bags. The current arrivals are much higher compared to the previous season. About 1.5 - 1.7 lakh bags of the seed arrivals were registered in various mandis of Rajasthan in the corresponding period last year.
- Sluggish demand in mustard oil discouraged the millers from aggressively buying and crushing the seed. Stockists remained the key buyers in the physical market who intent of hold the produce for medium and long-term and off-load it in lean season.
- 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.
- The mustard oil retailers expect the oil demand to pick-up with the fresh purchases in the oil from local pickle industry, expected after second week of May. Consumption of pickle increases in summers.
- The seed millers are exploring the opportunity in mustard seed DOC exports followed by good demand from traditional buyers. India is expected to export above 1.5 lakh tones of DOC in May with expected improvement in crushing in days ahead.

*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 declined at benchmark, Indore due to slack in demand from crushers and weak international vegoil market.*

- The arrivals in Madhya Pradesh improved and reported at 35000 bags (90 kg each) compared to 10000 bags a day ago. The key soybean markets of Madhya Pradesh remained closed on Tuesday.
- Weak exports in soy meal followed by demand shift due to attractive price offer by the Latin American countries continue to remain a negative factor for the domestic soybean and meal market.
- Currently, the spread between Indian soy meal quotes (FAS Kandla USD/MT) and FOB Argentina is ruling higher at USD 28/MT compared to USD 15/MT, in the corresponding period last month.
- However, small shipments in soy meal to Bangladesh and Nepal are reported taking the benefit of proximity over freight.
- Farmer selling of soybeans in Argentina slowed down significantly with only an estimated 2% of the crop sold in March.
- 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.
- Argentina's soybean harvesting is in full swing and has made good progress with above around 15 Mn ha.

*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 in the market.
- 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 oversold region.

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

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

Call	Entry	T1	T2	SL
<b>SELL</b>	<b>&lt;2373</b>	<b>2363</b>	<b>2358</b>	<b>2378</b>
Support & Resistance				
S2	S1	PCP	R1	R2
<b>2339</b>	<b>2358</b>	<b>2368</b>	<b>2385</b>	<b>2402</b>

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

- Candlestick chart pattern reveals buying support in the rapeseed.
- 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 rising in neutral region while stochastic is easing neutral zone.

*Mustard seed prices may improve in Thursday's session.*

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

Call	Entry	T1	T2	SL
<b>BUY</b>	<b>&gt;2749</b>	<b>2759</b>	<b>2764</b>	<b>2744</b>
Support & Resistance				
S2	S1	PCP	R1	R2
<b>2720</b>	<b>2728</b>	<b>2754</b>	<b>2765</b>	<b>2778</b>

**NCDEX RM Seed Price Spread**

NCDEX Spread	May	Jun	Jul	Aug
<b>May</b>	0	48	96	136
<b>Jun</b>	-	0	48	88
<b>Jul</b>	-	-	0	40
<b>Aug</b>	-	-	-	0

\*Far Month Contract Vs Near Month Contract.

**NCDEX Soy Seed Price Spread**

NCDEX Spread	May	Jun	Jul	Aug
<b>May</b>	0	45	83	109
<b>Jun</b>	-	0	38	64
<b>Jul</b>	-	-	0	26
<b>Aug</b>	-	-	-	0

\*Far Month Contract Vs Near Month Contract.

## Oilseed Prices at Key Markets

Commodity	Centre	Prices (Rs/Qtl)		Change	Arrivals (Bags)		Change
		04/05/2011	03/05/2011		04/05/2011	03/05/2011	
Soybean	Indore -P	2320-2350	2340-2380	-30			
	Indore -M	2240-2290	2240-2280	+10			
	Arrivals in Madhya Pradesh				35000	10000	+25000
	Nagpur-P	2370-2415	2380-2440	-25			
	Nagpur - M	2300-2350	2350-2415	-65			
	Kota-P	2360-2380	2360-2400	-20			
	Kota - M	2260-2300	2280-2320	-20			
Rapeseed/Mustard	Jaipur - C	2650	2650	Unch			
	Alwar - C	2525	2550	-25			
	SriGanganagar	2360	2400	-40			
	Kota		Closed				
	Neewai	2440	2450	-10			
	Arrivals in Rajasthan				400000	350000	+50000
	Delhi- C	2610	2610	Unch			
	Katni (MP)						
Groundnut Seed	Hapur (UP)	2680	2690	-10			
	Rajkot	680	680	Unch	6000	5000	+1000
Sunflower Seed	Latur	3100-3150	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)

	04/05/2011	03/05/2011	Change
Niger Seed (4% FM)	3150	3100	+50
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	5075	5050	+25
Prices are in INR/100 kg.			

## FOREX RATES as on 04.05.11

Country/ Continent	Currency	Value in Rupees	
		04.05.11	03.05.11
USA	Dollar	44.59	44.34
Europe	Euro	66.04	65.75
Japan	Yen	55.09	54.76
Britain	Pound Strlg.	73.42	73.69

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