

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

Mustard seed prices edged-up on continued demand in the seed and significant fall in supplies on Thursday.

- The mustard seed supply in Rajasthan significantly fell and reported at 2.0 lakh bags (85 kg each) compared to the previous day's level of 4.0 lakh bags. The fall is witnessed ahead of auspicious day - *Akshya Tritya*.
- Several traders are engaged in social and religious activities due to the auspicious occasion and subsequently trading volume in physical market eases.
- Overall, the mustard oil demand remains weak and the retailers expect to witness the fresh demand in the oil from local pickle industry this month.
- Millers are noticed buying the seed hand to mouth owing to slack in demand. Stockists are the active buyers in the physical market and are expected to off-load the seed in lean season.
- 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 prices eased on sluggish demand in the beans from crushers coupled with weakness in CBOT soybean complex.

- Dull trade activity was noticed in soybean cash market ahead of auspicious day - *Akshya Tritya* leading to decline in arrivals.
- The arrivals in Madhya Pradesh fell to 17000 bags (90 kg each) compared to 35000 bags a day ago.
- Besides, fall in soy meal exports owing to demand shift followed by competitive price offer by the South American countries continue to pressure the domestic soybean prices.
- Currently, the spread between Indian soy meal quotes (FAS Kandla USD/MT) and FOB Argentina is ruling higher at USD 42/MT compared to USD 32/MT, in the corresponding period last month.
- However, exports in small quantity are still on to neighboring countries like Bangladesh and Nepal taking the benefit freight due to proximity.
- Brazil's soybean harvesting is reportedly complete with expected higher output of 72.5 Mln T this season compared to 68.5 Mln T last season.
- Brazil's soy meal production must rise 6%, totalizing 28.7 million tons. Brazil's soy meal 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 eased to Rs.675/20 kg from Rs.680/20 kg and supply in key center of Rajkot remained steady at around 5000 - 6000 bags per day. The *kharif* groundnut sowing in Gujarat will start in early June after first spell of rain. 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 Friday's session.

Trade Recommendation – Soybean NCDEX (May)

Call	Entry	T1	T2	SL
SELL	<2332	2322	2317	2337
Support & Resistance				
S2	S1	PCP	R1	R2
2285	2300	2326.5	2385	2399



RAPESEED

Technical Analysis:

- Candlestick chart pattern reveals 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 neutral region.

Mustard seed prices are likely to ease in Friday's session.

Trade Recommendation – Rapeseed NCDEX (May)

Call	Entry	T1	T2	SL
SELL	<2724	2714	2709	2729
Support & Resistance				
S2	S1	PCP	R1	R2
2693	2707	2719	2765	2775



NCDEX RM Seed Price Spread

NCDEX Spread	May	Jun	Jul	Aug
May	0	44	86	131
Jun	-	0	42	87
Jul	-	-	0	45
Aug	-	-	-	0

NCDEX Soy Seed Price Spread

NCDEX Spread	May	Jun	Jul	Aug
May	0	40	78.5	104.5
Jun	-	0	38.5	64.5
Jul	-	-	0	26
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
		05/05/2011	04/05/2011		05/05/2011	04/05/2011	
Soybean	Indore -P	2320-2340	2320-2350	-10			
	Indore -M	2240-2280	2240-2290	-10			
	Arrivals in Madhya Pradesh				17000	35000	-18000
	Nagpur-P	-	2370-2415	-			
	Nagpur - M	-	2300-2350	-			
	Kota-P	-	2360-2380	-			
	Kota - M	-	2260-2300	-			
Rapeseed/Mustard	Jaipur - C	2660	2650	+10			
	Alwar - C	2550	2525	+25			
	SriGanganagar	2360	2360	Unch			
	Kota	-	-	-			
	Neewai	2435	2440	-5			
	Arrivals in Rajasthan				200000	400000	-200000
	Delhi- C	2610	2610	Unch			
	Katni (MP)						
Groundnut Seed	Hapur (UP)	2675	2680	-5			
	Rajkot	675	680	-5	6000	6000	Unch
Sunflower Seed	Latur	3100-3150	3100-3150	Unch	700	-	-

*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)

	05/05/2011	04/05/2011	Change
Niger Seed (4% FM)	3150	3150	Unch
Sesame White 98/2/1 FM	5125	5125	Unch
Sunflower Seed	3400	3400	Unch
Kardi Seed 2% Exp Quality	2550	2500	+50
Groundnut Kernel	4200	4200	Unch
Castor Seed	5075	5075	Unch
Prices are in INR/100 kg.			

FOREX RATES as on 04.05.11

Country/ Continent	Currency	Value in Rupees	
		05.05.11	04.05.11
USA	Dollar	44.57	44.59
Europe	Euro	66.23	66.04
Japan	Yen	55.48	55.09
Britain	Pound Strlg.	73.58	73.42

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