

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 were witnessed in various key mustard seed market on varied factors on Saturday.

- The mustard seed supply in Rajasthan declined to 2.0 lakh bags (85 kg each) compared to the previous day's level of 2.25 lakh bags. The seed supplies are seen declining compared to previous week's level of 4.0 - 4.50 lakh bags.
- Stock position of rapeseed mustard at NCDEX accredited warehouses as on 05 May 2011 is reported at 129565 MT.
- Stockists are the major buyers while millers are seen purchasing the seed hand to mouth due to slack in mustard oil demand. The stockists are expected to off-load the seed in lean season to increase their profit-margin.
- India's mustard seed DOC exports for the month of Apr 2010 is reported to 1.42 lakh tonnes compared to 1.17 lakh tonnes in the corresponding period of the previous year. The increase witnessed owing to the demand from our traditional buyers, China and South Korea. India is expected to export the DOC and register the exports figure closure to that of April in May if the demand remains consistent.

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

Steady to weak sentiments noticed in domestic soybean cash market due to poor demand on Saturday.

- Poor overseas soy meal demand and higher vegoil imports have subsequently discouraged the aggressive crushing as noticed between the months October thru February.
- The Indian soy meal exports are hit due to the attractive price offer by South America. The spread between Indian soy meal quotes (FAS Kandla USD/MT) and FOB Argentina is ruling higher at USD 20/MT compared to USD 37/MT, in the corresponding period last month.
- However, India continues to export the meal to Bangladesh and Nepal taking the benefit of freight due to proximity remained supportive factor for the meal exports.
- India exported 305,033 MT of soy meal in the month of April this year up 406% compared to the corresponding period last year which was registered 60,264 MT.
- Shipments jumped to 501,497 metric tons in April from 204,346 tons a year earlier. Sales to Japan, the South Asian nation's biggest buyer, almost tripled to 102,775 tons from a year ago, and shipments to China jumped to 85,111 tons from 46,254 tons.
- India's oilmeal exports in the 6 months through April almost doubled to 3.68 million tons, from 1.88 million tons last year.
- 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.

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.670 - 675/20 kg from Rs.675 - 680/20 kg last week 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 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 is easing in oversold region while stochastic is rising in oversold zone.

Soybean prices are likely ease in Monday's session.

Trade Recommendation – Soybean NCDEX (May)

Call	Entry	T1	T2	SL
SELL	<2310	2300	2295	2315
Support & Resistance				
S2	S1	PCP	R1	R2
2240	2253.5	2305	2344	2365



RAPESEED

Technical Analysis:

- Doji candle reflects indecision in the mustard seed 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 fall in Monday's session.

Trade Recommendation – Rapeseed NCDEX (May)

Call	Entry	T1	T2	SL
SELL	<2704	2696	2691	2709
Support & Resistance				
S2	S1	PCP	R1	R2
2645	2683	2699	2730	2744



NCDEX RM Seed Price Spread

NCDEX Spread	May	Jun	Jul	Aug
May	0	21	63	142
Jun	-	0	42	121
Jul	-	-	0	79
Aug	-	-	-	0

NCDEX Soy Seed Price Spread

NCDEX Spread	May	Jun	Jul	Aug
May	0	31.5	69	92
Jun	-	0	37.5	60.5
Jul	-	-	0	23
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
		07/05/2011	06/05/2011		07/05/2011	06/05/2011	
Soybean	Indore -P	2260-2300	2280-2300	Unch			
	Indore -M	2180-2230	Closed	-			
	Arrivals in Madhya Pradesh				15000	5000	+10000
	Nagpur-P	2310-2340	Closed				
	Nagpur - M	2220-2260	Closed				
	Kota-P	2280-2310	Closed				
	Kota - M	2200-2230	Closed				
Rapeseed/Mustard	Jaipur - C	2625-2630	2630	Unch			
	Alwar - C	2540	2525	+15			
	SriGanganagar	2325	2300	-5			
	Kota	2400	-	-	-	-	-
	Neewai	2475	-	-	-	-	-
	Arrivals in Rajasthan				200000	225000	-25000
	Delhi- C	2600	2590	+10			
	Katni (MP)						
Groundnut Seed	Hapur (UP)	-	-				
	Rajkot	670	670	Unch	5000	6000	-1000
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)

	07/05/2011	06/05/2011	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	2575	-25
Groundnut Kernel	4150	4175	-25
Castor Seed	5050	5075	-25
Prices are in INR/100 kg.			

FOREX RATES as on 07.05.11

Country/ Continent	Currency	Value in Rupees	
		07.05.11	06.05.11
USA	Dollar	44.72	44.81
Europe	Euro	64.10	65.07
Japan	Yen	55.58	55.80
Britain	Pound Strlg.	73.18	73.39

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