

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

Firm sentiments witnessed in the mustard seed cash market on good buying support and supportive international vegoil market.

- The mustard seed arrivals in Rajasthan are reported higher at 2.5 lakh bags (85 kg each) compared to the previous day's level of 2.0 lakh bags. The seed supplies are much higher, on big crop, compared to the corresponding period last year when arrivals were reported between 1.20 - 1.30 lakh bags.
- Stockists continue to remain the major buyer of the seed followed by millers on fresh demand in the mustard oil from pickle industry. Stockists are expected to off-load the seed in lean season.
- Stock position of rapeseed mustard at NCDEX accredited warehouses is reported at 135,959 MT compared to 129,565 MT a day earlier.
- Better exports in mustard seed DOC in last couple of months have raised the expectations of the DOC exporters and millers. India exported 1.42 lakh tonnes in April 2010 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 and register the DOC exports figure closer 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

Soybean prices edged-up in cash market supported by higher domestic mustard seed and firm international edible oil market on Monday.

- Overall, the overseas soy meal demand remained poor. Traders feel the higher exports figure in soy meal compared to last year is an exception for India's oilmeal exports were significantly lower last year.
- The arrivals in Madhya Pradesh are reported slightly higher at 20,000 bags (90 kg each) compared to the previous day's level of 15,000 bags.
- The domestic crushing is reported to be weak due to lower soy meal exports and higher vegoil imports this season.
- The attractive price offer in soy meal by South America has negatively affected the Indian soy meal exports. 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.
- India is reportedly exporting soy meal to Bangladesh and Nepal in small quantities taking the benefit of freight due to proximity remained positive factor for the meal exports.
- 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 prices closed above previous day's level.
- 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 rising in oversold region while stochastic is rising in neutral zone.

Soybean prices are likely to gain in Tuesday's session.

Trade Recommendation – Soybean NCDEX (May)

Call	Entry	T1	T2	SL
BUY	>2313	2323	2328	2308
Support & Resistance				
S2	S1	PCP	R1	R2
2240	2254	2318	2338	2361



RAPSEED

Technical Analysis:

- Candlestick chart pattern reveals side-ways price movement.
- 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 rising neutral region.

Mustard seed prices are likely to improve in Tuesday's session.

Trade Recommendation – Rapeseed NCDEX (May)

Call	Entry	T1	T2	SL
BUY	>2701	2711	2716	2696
Support & Resistance				
S2	S1	PCP	R1	R2
2635	2645	2706	2730	2749



NCDEX RM Seed Price Spread

NCDEX Spread	May	Jun	Jul	Aug
May	0	47	90	130
Jun	-	0	43	83
Jul	-	-	0	40
Aug	-	-	-	0

NCDEX Soy Seed Price Spread

NCDEX Spread	May	Jun	Jul	Aug
May	0	38.5	77.5	102
Jun	-	0	39	63.5
Jul	-	-	0	24.5
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
		09/05/2011	07/05/2011		09/05/2011	07/05/2011	
Soybean	Indore -P	2270-2315	2260-2300	+15			
	Indore -M	2200-2250	2180-2230	+20			
	Arrivals in Madhya Pradesh				20000	15000	+5000
	Nagpur-P	2280-2360	2310-2340	+20			
	Nagpur - M	2240-2300	2220-2260	+40			
	Kota-P	2280-2320	2280-2310	+10			
	Kota - M	2200-2250	2200-2230	+20			
Rapeseed/Mustard	Jaipur - C	2630-2635	2625-2630	+5			
	Alwar - C	2550	2540	+10			
	SriGanganagar	2325	2325	Unch			
	Kota	-	2400	-		-	
	Neewai	-	2475	-		-	
	Arrivals in Rajasthan				250000	200000	+50000
	Delhi- C	2610-2615	2600	+15			
	Katni (MP)						
Groundnut Seed	Hapur (UP)	-	-				
	Rajkot	670	670	Unch	5000	5000	Unch
Sunflower Seed	Latur	3000-3050	-	-	-	-	-

*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)

	09/05/2011	07/05/2011	Change
Niger Seed (4% FM)	3100	3150	-50
Sesame White 98/2/1 FM	5125	5125	Unch
Sunflower Seed	3400	3400	Unch
Kardi Seed 2% Exp Quality	2550	2550	Unch
Groundnut Kernel	4150	4150	Unch
Castor Seed	5065	5050	+15
Prices are in INR/100 kg.			

FOREX RATES as on 09.05.11

Country/ Continent	Currency	Value in Rupees	
		09.05.11	07.05.11
USA	Dollar	44.70	44.72
Europe	Euro	64.43	64.10
Japan	Yen	55.45	55.58
Britain	Pound Strlg.	73.22	73.18

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