

## 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 continued uptrend on good buying and supportive international vegoil market on Wednesday.*

- The mustard seed arrivals in Rajasthan remain inert consecutive third day at 2.5 lakh bags (85 kg each). The daily seed supplies doubled this year, on big crop, compared to the corresponding period last year when arrivals were reported between 1.0- 1.15 lakh bags.
- Active buying in the seed noticed in physical market followed by rise in mustard oil demand at retail and from local pickle industry remained supportive factor for the seed market.
- Stock position of rapeseed mustard at NCDEX accredited warehouses is reported at 142,747 MT compared to 139,644 MT a day earlier. The stocks are expected to rise followed by peak season and good buying in the seed.
- The mustard seed DOC exporters are expecting better shipments in the month of May followed by better exports last couple of months supporting the crushers. India exported 1.42 lakh tonnes in April 2010 compared to 1.17 lakh tonnes in the corresponding period of the previous year. Demand from our traditional buyers, China and South Korea remained supportive for the DOC. India is expected to export the DOC in May close to the quantity it exported in April.

*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 firmed-up in conjunction with firm domestic mustard seed and higher soybean in international benchmark, CBOT.*

- The buying in soybean in domestic market has improved followed by active participation of big players.
- The arrivals in Madhya Pradesh slightly declined and reported at 22,000 bags (90 kg each) compared to the previous day's level of 25,000 bags.
- However, the soy meal exports remain weak owing to the demand shift followed by 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.
- The soy meal exports continue towards Nepal and Bangladesh in small quantities on logistics advantage followed by their vicinity.
- The soybean market is waiting for the USDA's monthly World Agriculture Supply and Demand Report due Wednesday. The domestic soybean market may react depending upon the supply and demand figure.
- The market is expecting bearish reports with higher US acreage in soybeans due to area shift from corn due to unfavourable weather condition for corn sowing.
- The overall US soybean planting progress, week ending May 08, 2011, is reported at 7 per cent, low soybean planting progress at 7% complete, well below the five-year average of 17%.

*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. India's groundnut exports during the current year is likely to touch around 4 lakh tonnes, up from 3.4 lakh tonne in 2009-10 season, on the back of growing international demand that is supported by the crop failure in China. Groundnut year is calculated on the basis of the crop season, which lasts between November to September.

## SOYBEAN

### Technical Analysis:

- Candlestick chart pattern reveals side-ways move in the prices.
- 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 in neutral zone.

*Soybean prices are likely witness side-ways move in Thursday's session.*

### Trade Recommendation – Soybean NCDEX (May)

Call	Entry	T1	T2	SL
Wait	-	-	-	-
Support & Resistance				
S2	S1	PCP	R1	R2
2293	2307	2329	2342	2359



## RAPESEED

### Technical Analysis:

- Candlestick chart pattern suggests buying support in the market.
- Prices closed above 9-day and 18-day EMA indicating bullish momentum in near and medium-term.
- MACD is rising in negative territory.
- RSI and stochastic are rising neutral region.

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

### Trade Recommendation – Rapeseed NCDEX (May)

Call	Entry	T1	T2	SL
BUY	>2738	2748	2753	2733
Support & Resistance				
S2	S1	PCP	R1	R2
2672	2701	2743	2760	2781



### NCDEX RM Seed Price Spread

NCDEX Spread	May	Jun	Jul	Aug
May	0	47	90	129
Jun	-	0	43	82
Jul	-	-	0	39
Aug	-	-	-	0

### NCDEX Soy Seed Price Spread

NCDEX Spread	May	Jun	Jul	Aug
May	0	44	81	107
Jun	-	0	37	63
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
		11/05/2011	10/05/2011		11/05/2011	10/05/2011	
Soybean	Indore -P	2300-2350	2280-2340	+10			
	Indore -M	2250-2310	2230-2290	+20			
	Arrivals in Madhya Pradesh				22000	25000	-3000
	Nagpur-P	2350-2400	2350-2400	Unch			
	Nagpur - M	2250-2320	2260-2320	Unch			
	Kota-P	2330-2350	2280-2325	+25			
	Kota - M	2280-2340	2220-2280	+60			
Rapeseed/Mustard	Jaipur - C	2675	2650	+25			
	Alwar - C	2550	2550	Unch			
	SriGanganagar	2350	2310-2340	+10			
	Kota	-	-	-		-	
	Neewai	2540	-	-		-	
	Arrivals in Rajasthan				250000	250000	Unch
	Delhi- C	2620	2600	+20			
	Katni (MP)						
Groundnut Seed	Hapur (UP)	-	-				
	Rajkot	675	675	Unch	5000	5000	Unch
Sunflower Seed	Latur	-	3000-3050	-	-	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)

	11/05/2011	10/05/2011	Change
Niger Seed (4% FM)	3100	3150	-50
Sesame White 98/2/1 FM	5150	5150	Unch
Sunflower Seed	3400	3400	Unch
Kardi Seed 2% Exp Quality	2600	2575	+25
Groundnut Kernel	4175	4175	Unch
Castor Seed	5095	5090	+5
Prices are in INR/100 kg.			

## FOREX RATES as on 11.05.11

Country/ Continent	Currency	Value in Rupees	
		11.05.11	10.05.11
USA	Dollar	44.69	44.73
Europe	Euro	64.39	63.90
Japan	Yen	55.30	55.60
Britain	Pound Strlg.	73.12	73.20

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