

## 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 noticed in the mustard seed market followed by buying support and declining supplies in the same.*

- The mustard seed arrivals in Rajasthan declined and reported at 2.0 lakh bags (85 kg each) compared to 2.5 lakh bags a day earlier. The daily seed supplies are higher this year, on big crop, compared to the corresponding period last year when arrivals were reported between 1.0- 1.15 lakh bags.
- Stock position of rapeseed mustard at NCDEX accredited warehouses is reported at 144,826 MT compared to 142,747 MT a day earlier. The stocks are expected to rise followed by peak season and good buying in the seed.
- Both stockists and the millers are active in the physical market with improved demand in the mustard oil and better exports in mustard seed DOC.
- 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 witnessed steady to firm tone tracking gains domestic mustard seed and higher international vegoil market.*

- The physical market has noticed buying support in soybean by the big players at the current price levels.
- The arrivals in Madhya Pradesh slightly declined and reported at 20,000 bags (90 kg each) compared to the previous day's level of 22,000 bags.
- However, the soy meal exports remain weak owing to the demand shift followed by attractive price offer by South America.
- Currently, the spread between Indian soy meal quotes (FAS Kandla USD/MT) and FOB Argentina is ruling higher at USD 27/MT compared to USD 20/MT, in the corresponding period last week.
- India continues to export the meal to it's neighboring countries over logistics and freight advantages.
- Global soybean exports are projected at 98.7 million tons, up 2.8 percent from 2010/11. China soybean imports are projected at 58 million tons, up 3.5 million from 2010/11- USDA.
- Global soybean production is projected to increase less than 1 percent to 263.3 million tons. The Argentina crop is projected at 53 million tons, up 3.5 million from 2010/11 crop based on a higher harvested area and yields. The Brazil soybean crop is projected at 72.5 million tons, down 0.5 million from the projected record 2010/11 crop - USDA.

*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 is easing in neutral region while stochastic is rising in neutral zone.

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

### Trade Recommendation – Soybean NCDEX (Jun)

Call	Entry	T1	T2	SL
Wait	-	-	-	-
Support & Resistance				
S2	S1	PCP	R1	R2
2323	2341	2356	2390	2402



## RAPESEED

### Technical Analysis:

- Candlestick chart pattern suggests fall in the seed prices.
- 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 easing in neutral region while stochastic is rising in neutral region.

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

### Trade Recommendation – Rapeseed NCDEX (Jun)

Call	Entry	T1	T2	SL
SELL	<2783	2773	2767	2788
Support & Resistance				
S2	S1	PCP	R1	R2
2748	2764	2778	2826	2845



### NCDEX RM Seed Price Spread

NCDEX Spread	May	Jun	Jul	Aug
May	0	47	96	132
Jun	-	0	49	85
Jul	-	-	0	36
Aug	-	-	-	0

\*Far Month Contract Vs Near Month Contract.

### NCDEX Soy Seed Price Spread

NCDEX Spread	May	Jun	Jul	Aug
May	0	41	81	108
Jun	-	0	40	67
Jul	-	-	0	27
Aug	-	-	-	0

\*Far Month Contract Vs Near Month Contract.

## Oilseed Prices at Key Markets

Commodity	Centre	Prices (Rs/Qtl)		Change	Arrivals (Bags)		Change
		12/05/2011	11/05/2011		12/05/2011	11/05/2011	
Soybean	Indore -P	2300-2350	2300-2350	Unch			
	Indore -M	2260-2320	2250-2310	+10			
	Arrivals in Madhya Pradesh				20000	22000	-2000
	Nagpur-P	-	2350-2400	-			
	Nagpur - M	-	2250-2320	-			
	Kota-P	-	2330-2350	-			
	Kota - M	-	2280-2340	-			
Rapeseed/Mustard	Jaipur - C	2710	2675	+35			
	Alwar - C	2600	2550	+50			
	SriGanganagar	2370	2350	+20			
	Kota		-			-	
	Neewai	2575	2540	+35		-	
	Arrivals in Rajasthan				200000	250000	-50000
	Delhi- C	2690	2620	+70			
	Katni (MP)						
Groundnut Seed	Hapur (UP)	2700	-	-	-	-	-
	Rajkot	675	675	Unch	5000	5000	Unch
Sunflower Seed	Latur	-	-	-	-	-	-

\*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)

	12/05/2011	11/05/2011	Change
Niger Seed (4% FM)	3200	3100	+100
Sesame White 98/2/1 FM	5150	5150	Unch
Sunflower Seed	3400	3400	Unch
Kardi Seed 2% Exp Quality	2600	2600	Unch
Groundnut Kernel	4175	4175	Unch
Castor Seed	5110	5095	+15
Prices are in INR/100 kg.			

## FOREX RATES as on 12.05.11

Country/ Continent	Currency	Value in Rupees	
		12.05.11	11.05.11
USA	Dollar	44.79	44.69
Europe	Euro	63.59	64.39
Japan	Yen	55.28	55.30
Britain	Pound Strlg.	73.19	73.12

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