

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

Steady to weak sentiments noticed in the mustard seed cash market on Friday.

- The mustard seed arrivals slightly increased in Rajasthan and reported at 2.1 lakh bags (85 kg each) compared to 2.0 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 1.0-1.1 lakh bags.
- Overall, the market has buying support at the current price levels and both stockists and millers are active in the physical market.
- Stock position of rapeseed mustard at NCDEX accredited warehouses is reported at 146,616 MT compared to 144,826 MT a day earlier. As it was expected earlier stocks are expected to rise followed by peak season and good buying in the seed.
- The mustard seed DOC exporters hope for better exports 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. China and South Korea are the biggest buyers of Indian mustard seed DOC.

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 in sync with lower domestic mustard seed prices on Friday.

- Recently the domestic market witnessed good buying support by the big players in anticipation of demand in soyoil ahead of marriages.
- The arrivals in Madhya Pradesh slightly declined and reported at 17,000 bags (90 kg each) compared to the previous day's level of 20,000 bags.
- The Indian 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 25/MT compared to USD 20/MT, in the corresponding period last week.
- India is reportedly marketing its soy meal looking the 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 are moving range-bound between trading band of Rs.675 - 680/20 kg while arrivals are seen steady at 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 buying support in the market.
- Prices closed above 9-day EMA, indicating bullish momentum in near-term.
- MACD is rising in negative territory.
- RSI and stochastic are rising in neutral zone.

Soybean prices are likely witness gain in Saturday's session.

Trade Recommendation – Soybean NCDEX (Jun)

Call	Entry	T1	T2	SL
BUY	>2389	2399	2404	2384
Support & Resistance				
S2	S1	PCP	R1	R2
2347	2364	2394	2708	2419



RAPESEED

Technical Analysis:

- Candlestick chart pattern suggests continued buying interest 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 in neutral region.

Mustard seed prices are likely to gain in Saturday's session.

Trade Recommendation – Rapeseed NCDEX (Jun)

Call	Entry	T1	T2	SL
BUY	>2800	2810	2815	2795
Support & Resistance				
S2	S1	PCP	R1	R2
2765	2778	2805	2814	2824



NCDEX RM Seed Price Spread

NCDEX Spread	May	Jun	Jul	Aug
May	0	46	93	137
Jun	-	0	47	91
Jul	-	-	0	44
Aug	-	-	-	0

NCDEX Soy Seed Price Spread

NCDEX Spread	May	Jun	Jul	Aug
May	0	45	90	119
Jun	-	0	45	74
Jul	-	-	0	29
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
		13/05/2011	12/05/2011		13/05/2011	12/05/2011	
Soybean	Indore -P	2300-2350	2300-2350	Unch			
	Indore -M	2250-2310	2260-2320	-10			
	Arrivals in Madhya Pradesh				17000	20000	-3000
	Nagpur-P	-	-				
	Nagpur - M	-	-				
	Kota-P	-	-				
	Kota - M	-	-				
Rapeseed/Mustard	Jaipur - C	2710	2710	Unch			
	Alwar - C	2580	2600	-20			
	SriGanganagar	2350	2370	-20			
	Kota					-	
	Neewai	2590	2575	+15		-	
	Arrivals in Rajasthan				210000	200000	+10000
	Delhi- C	2675	2690	-15			
	Katni (MP)						
Groundnut Seed	Hapur (UP)	2720	2700	+20	-	-	-
Sunflower Seed	Rajkot	680	675	+5	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)

	13/05/2011	12/05/2011	Change
Niger Seed (4% FM)	3200	3200	Unch
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	5105	5110	-5
Prices are in INR/100 kg.			

FOREX RATES as on 13.05.11

Country/ Continent	Currency	Value in Rupees	
		13.05.11	12.05.11
USA	Dollar	44.91	44.79
Europe	Euro	64.03	63.59
Japan	Yen	55.67	55.28
Britain	Pound Strlg.	73.05	73.19

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