

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 are witnessed in the mustard seed cash markets on supportive buying.

- The mustard seed arrivals increased in Rajasthan and reported at 2.25 lakh bags (85 kg each) compared to 2.1 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.
- The market has witnessed good buying support at the current price levels and both stockists and millers are active in the physical market. The buyers feel the seed prices will further move up from the current levels as seen during the week.
- Stock position of rapeseed mustard at NCDEX accredited warehouses is reported at 150,201 MT compared to 146,616 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 gained in tandem with mustard seed on Saturday.

- The soybean market found buying support from big players in the market. Fresh demand in the soyoil followed expected ongoing marriages lend support in the bean crushing.
- The arrivals in Madhya Pradesh slightly increased and reported at 20,000 bags (90 kg each) compared to the previous day's level of 17,000 bags.
- Weak soy meal exports due to demand shift followed by attractive price offer by the South American countries have negatively affected the domestic soy meal market.
- Currently, the spread between Indian soy meal quotes (FAS Kandla USD/MT) and FOB Argentina is ruling higher at USD 33/MT compared to USD 20/MT, in the corresponding period last week.
- India is aggressively marketing its soy meal to its 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 indecision in the market. But prices are uptrend.
- Prices closed above 9-day EMA, indicating bullish momentum in near-term.
- MACD is rising in negative territory.
- Stochastic is rising in neutral zone.

Soybean prices are likely gain in Monday's session.

Trade Recommendation – Soybean NCDEX (Jun)

Call	Entry	T1	T2	SL
BUY	>2381	2391	2396	2376
Support & Resistance				
S2	S1	PCP	R1	R2
2346	2368	2386	2407	2456

**RAPESEED****Technical Analysis:**

- Candlestick chart pattern suggests prices uptrend.
- 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 flatter in neutral region while stochastic is rising in neutral region.

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

Trade Recommendation – Rapeseed NCDEX (Jun)

Call	Entry	T1	T2	SL
BUY	>2802	2812	2817	2797
Support & Resistance				
S2	S1	PCP	R1	R2
2784	2791	2807	2837	2858

**NCDEX RM Seed Price Spread**

NCDEX Spread	May	Jun	Jul	Aug
May	0	42	85	130
Jun	-	0	43	88
Jul	-	-	0	45
Aug	-	-	-	0

NCDEX Soy Seed Price Spread

NCDEX Spread	May	Jun	Jul	Aug
May	0	31	70.5	97
Jun	-	0	39.5	66
Jul	-	-	0	26.5
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
		14/05/2011	13/05/2011		14/05/2011	13/05/2011	
Soybean	Indore -P	2320-2360	2300-2350	+10			
	Indore -M	2260-2325	2250-2310	+15			
	Arrivals in Madhya Pradesh				20000	17000	+3000
	Nagpur-P	2360-2420	2360-2400	+20			
	Nagpur - M	2290-2340	2280-2330	+10			
	Arrivals in Maharashtra				20000	15000	+5000
	Kota-P	2340-2380	2340-2365	+15			
	Kota - M	2310-2375	2320-2345	+30			
	Arrivals in Rajasthan				6000	5000	+1000
Rapeseed/Mustard	Jaipur - C	2720-2725	2710	+15			
	Alwar - C	2600-2625	2580	+45			
	SriGanganagar	2400	2350	+50			
	Kota	2400	2400	Unch	-	-	-
	Neewai	2595	2590			-	
	Arrivals in Rajasthan				225000	210000	15000
	Delhi- C	2630	2675	-45			
	Katni (MP)						
	Hapur (UP)	2725	2720	+5	-	-	-
Groundnut Seed	Rajkot	680	680	Unch	5000	5000	Unch
Sunflower Seed	Latur	3100-3150	-	-	1000	-	-

*P - Plant Delivery Prices, M - Mandi Prices, , Soybean Prices are in INR/bag. (1 bag=90 kg)
bag=85 kg) C - Condition (42%), *Groundnut (In Shell) in Rs/20 kg, Sunflower Seed in Rs/ctl.

FOREX RATES as on 14.05.11

Country/ Continent	Currency	Value in Rupees	
		14.05.11	13.05.11
USA	Dollar	44.85	44.91
Europe	Euro	63.29	64.03
Japan	Yen	55.49	55.67
Britain	Pound Strlg.	72.54	73.05

Other Oilseeds (Mumbai)

	14/05/2011	13/05/2011	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	4200	4175	+25
Castor Seed	5110	5105	+5

Prices are in INR/100 kg.

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