

**Castor Domestic Fundamentals: -**

- Castor seed markets traded firm after considerable downward correction during the week under review. Stake holders started releasing stock in nearby months to book profit. New arrivals and buyers' lacklustre interest in buying helped market to slide. Prices decreased from Rs 4200 to Rs 4050 per qtl. in the middle of the last week in the cash market.
- However, slower speed of arrivals and fresh demand for commercial oil and exporters supported market once again and it recovered up to Rs 50 to Rs 75 per qtl. to Rs 4150 per qtl. in the cash market. We expect market to stay steady this week at current level. In the medium term, by the end of this month castor seed market is likely to decrease as arrivals in Andhra Pradesh and Gujarat markets are likely to improve.
- Among bulk buyers only Rucchi is active buyers while stockists and planters are buying to fulfil their immediate requirements. Market participants are well aware of the fact that seed production is lower by 2.5 to 3 lakh tonne this year from previous year. It would push market up in the medium and long term i.e. From April, 2014. In Vashi market castor seed bold traded at Rs 4075 per qtl. While in Deesa buyers showed interest at Rs 4160 per qtl. However, new arrivals in next two three weeks may pressurize castor seed market. Castor oil commercial was traded at Rs 8450 to Rs 8475 per qtl.
- This year area under castor seed decreased sharply from 11.77 lakh ha. to 9.84 lakh ha, almost 1.93 lakh ha. lower than 2012-13. Considerable decrease in area has been seen in Gujarat and Andhra Pradesh. Total area collectively in both states is lower by 1.58 lakh ha. It is going to impact the final size of the crop to near 11 lakh T against the last year production of around 14 lakh T.
- Major importers of castor oil are buying only to fulfil their immediate requirement. They would start fresh buying during peak arrival season in March. By the time price of castor seed is expected to stabilize near Rs3800 to 3900 per qtl

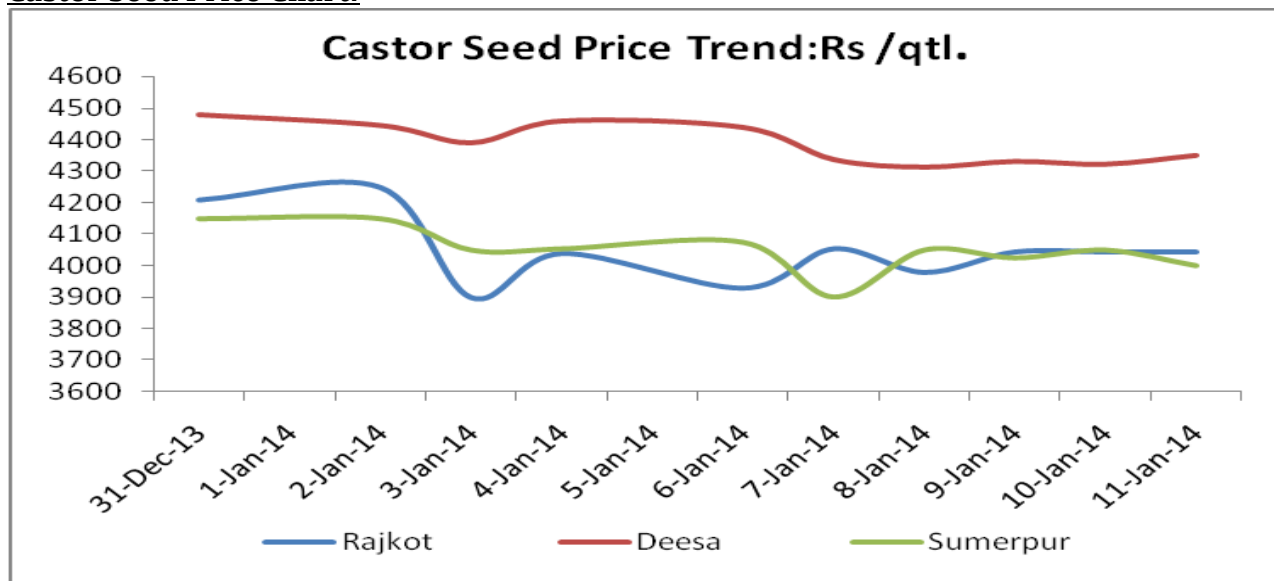
**International Market Update:**

- Major importers of castor oil are buying only to fulfil their immediate requirement. They would start bulk buying during peak arrival season in March. By the time price of castor seed is expected to stabilize near Rs3800 to 3900 per qtl.
- China, France, European Union and Australia remain the major buyers for Indian castor oil. However, domestic users would continue to buy for their normal needs.
- Castor oil is being exported from India at \$1250 to \$1270 per T while Rotterdam quotes \$1550 per T. This means Indian exporters have opportunity to get more price in the international market. It would support cash market once again in the medium term.

**Domestic market Outlook:**

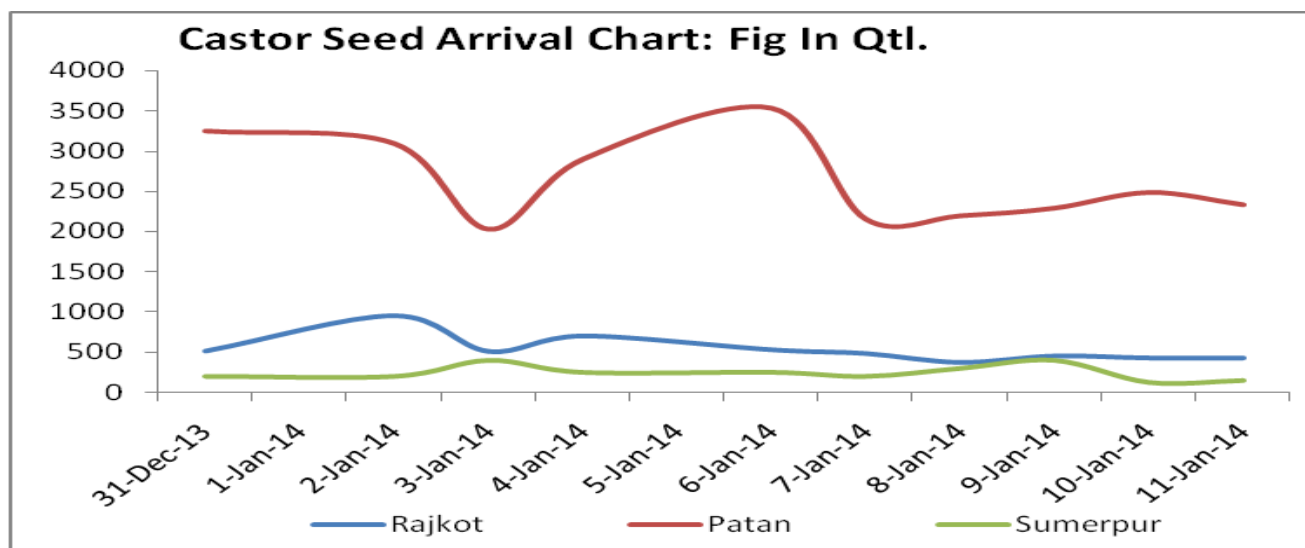
**Castor seed market is likely to trade range bound to slightly firm during this week. However, market would decrease in the last week of January on the expectation of higher arrivals. Overall outlook remains bullish due to lower crop size and carryout stock.**

## Castor Seed Price Chart:



Castor seed price in Sumerpur and Rajkot traded almost steady in the beginning of the week ending 11<sup>th</sup> January, 2014. In the contrary to this prices in Deesa market traded firm on restricted arrivals and fresh buying for commercial use domestically. We expect prices to dip further with opening up weather at the end of this month. Arrivals are expected to improve from current level. However, any steep fall is unlikely.

## Castor Seed arrival Chart:



Castor Seed arrivals in Patan have improved in the week under review. However, it declined slightly at weekend due to dip in prices. On the contrary, arrivals stay steady in Sumerpur and Rajkot. Arrivals are expected to improve further by the end of this month.

## Technical Analysis:



## Technical Commentary:

- Castor prices are still hovering in an uptrend; however, market is taking downward correction to regain the prices further.
- Prices are hovering at oversold region.
- Last candlestick depicts bearishness.
- Players are advised to sell below the given level maintaining stop loss strictly to 4530

## Strategy: Sell

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor seed	NCDEX	Feb	3768	3915	4493	4650	4760
Intraday Trade Call			Call	Entry	T1	T2	SL
Castor seed	NCDEX	Feb	<b>Sell</b>	Below 4390	4160	4050	4530

Castor Seed Price: Week on Week Basis Ch.			
	04.01.2014	11.01.2014	Overall Ch
Rajkot	4040	4050	10
Deesa	4375	4250	-125
Patan	4459	4350	-109
Sumerpur	4054	4000	-59

## NCDEX Stock Position:

Date	Dematted Stock	Quantity in Process	Total	Dematted Stock	Quantity in Process	Total	Dematted Stock	Quantity in Process	Total	Dematted Stock	Quantity in Process	Total
	BHABHAR			DEESA			KADI			PATAN		
31-Dec-13	567	616	1183	5717	1872	7589	4393	4151	8544	11524	1308	12832
1-Jan-14	567	615	1182	5807	2993	8800	5539	4281	9820	11956	1341	13297
2-Jan-14	617	707	1324	6259	2541	8800	6773	3199	9972	12560	1923	14483
3-Jan-14	617	687	1304	8189	502	8691	8199	2278	10477	13843	1667	15510
4-Jan-14	617	687	1304	8189	662	8851	8705	2074	10779	13843	2447	16290
6-Jan-14	617	687	1304	8540	290	8830	9625	1882	11507	14316	2014	16330
7-Jan-14	617	687	1304	8769	60	8829	10213	1769	11982	15783	1735	17518
8-Jan-14	1344	121	1465	8769	421	9190	11193	1526	12719	16015	3153	19168
9-Jan-14	1344	121	1465	9109	81	9190	11759	1001	12760	17909	3239	21148

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