

**Castor Domestic Fundamentals: -**

- Castor seed market traded weak during the week under review on the back of restricted buying activities and weak inner tone in the market. Cash market is expected to trade steady during the week as medium buyers and hedgers continue their buying at lower level. However, bulk buyers, stockists are in wait and watch mood and expect market to dip further.
- Lower crop size this year around 3 to 3.5 lakh tonne would not allow market to have any steep fall from current level. Medium and bulk buyers would start active buying for stocking purpose once market gets stabilized. Seed is being traded in the range of Rs 3920 to Rs 4300 per qtl. in Rajkot, Deesa and Sumerpur markets depending on quality of the seed.
- 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.
- 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 4050 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 8460 per qtl.
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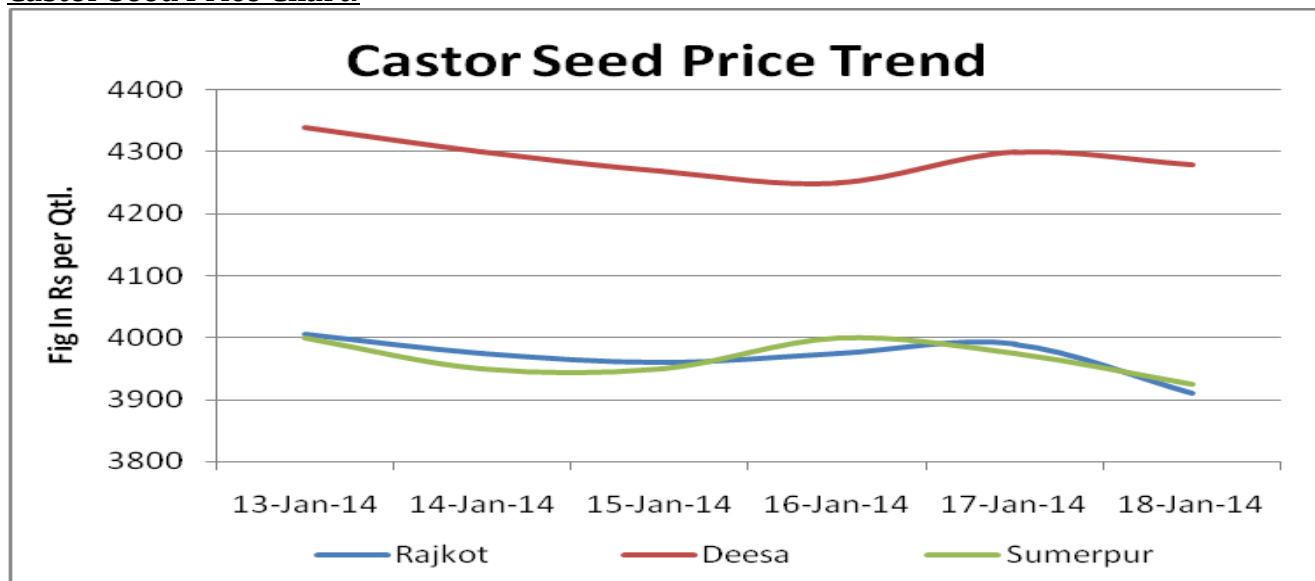
**International Market Update:**

- Castor oil is being exported from India at \$1250 to \$1275 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.
- 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.

**Domestic market Outlook:**

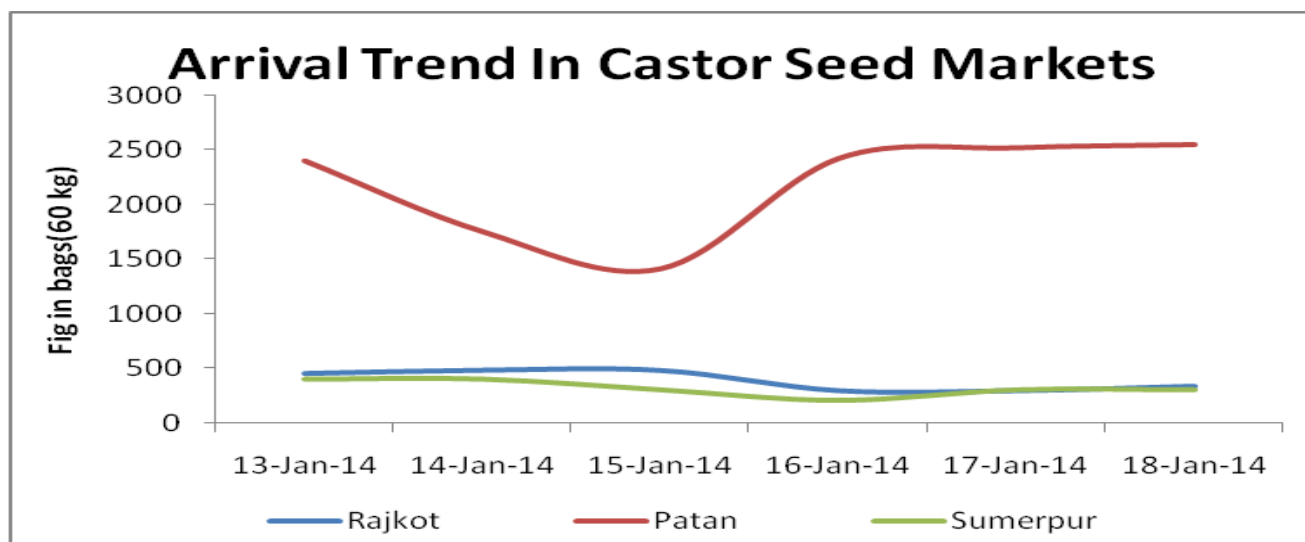
**Castor seed market is likely to trade range bound to slightly weak during this week. However, any steep fall from current level is unlikely due to firm inner tone. Overall outlook remains bullish due to lower crop size and carryout stock.**

**Castor Seed Price Chart:**



Castor seed prices in Sumerpur and Rajkot and Deesa decreased slightly during the week ended on 18<sup>th</sup> January, 2014. We expect prices to dip further with opening up weather at the end of this month. Arrivals are expected to improve from current level. Any dip from current level would encourage buyers to build up stock as market is well aware of short supply of seed this year.

**Castor Seed arrival Chart:**



Castor Seed arrivals in major markets have improved slightly during the week under review. However, no major improvement is visible in this week. Farmers too are releasing smaller quantity in anticipation of uptrend in near future.

## 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 neutral region.
- Last candlestick depicts firmness.
- Players are advised to buy above the given level maintaining stop loss strictly at 4530

## Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor seed	NCDEX	Feb	4225	4248	4325	4401	4475
Intraday Trade Call			Call	Entry	T1	T2	SL
Castor seed	NCDEX	Feb	Buy	Above 4250	4350	4400	4225

Castor Seed Price: Week on Week Basis Ch.			
	11.01.2014	18.01.2014	Overall Ch
<b>Rajkot</b>	4050	3910	-60
<b>Deesa</b>	4250	4300	50
<b>Patan</b>	4350	4300	-50
<b>Sumerpur</b>	4000	3925	-75

**NCDEX Stock Position:**

location	dematted stock	In process	unit
Bhabhar	1415	0	MT
Deesa	10642	10	MT
Kadi	13912	687	MT
Patan	23289	801	MT

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