

Castor Domestic Fundamentals: -

- Castor seed market continued to trade lower during the week under review. Average prices declined considerably in kadi, Sumerpur, Patan, Deesa and other markets in the range of Rs 25 to Rs 350 per qtl. Major decline was recorded in Patan and Ahmedabad. However, prices improved in Mehsana during the week under review.
- Market inner tone remains weak as new crop is round the corner. Arrivals are likely increase by the end of this month. Brokers and other retailers are engaged in purchasing for some big players and there is a talk in the market that they can hold seeds for long time this year sensing the short supply based on lower production estimate around 11.5 to 12 lakh tonne for this year.
- Seed market is likely to stabilize near Rs 3600 to Rs 3700 per qtl. in peak arrival season of March-April. Next week more dip in cash market is expected as buyers offer lower price. Overall long sentiment for market remains bullish and market is expected to consolidate from May onward.
- This year crop size is expected to be lower by 2 lakh tonne from previous year to 11.5 to 12.04 lakh tonne against last year's production of 14.04 lakh tonne. Trader's estimate is even lower at around 11 lakh tonne. This indicates that crop is lower from last year from every point of view. This will fuel prices in the months ahead as the new crop's pressure would vanish by the end of April.
- 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.
- Total availability this year is expected to remain at 15.38 lakh tonne against the last year's availability of 17.84 lakh tonne including carryout. Against this our domestic demand is around 17 to 18 lakh tonnes. Sensing the overall situation major players would hold on seed for long time and it will continue to fuel market throughout the lean season.
- 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 Rs 3700 to 3800 per qtl. As crop size is lower this year, any steep fall from this level is unlikely. Major players would be active around this level.

International Market Update:

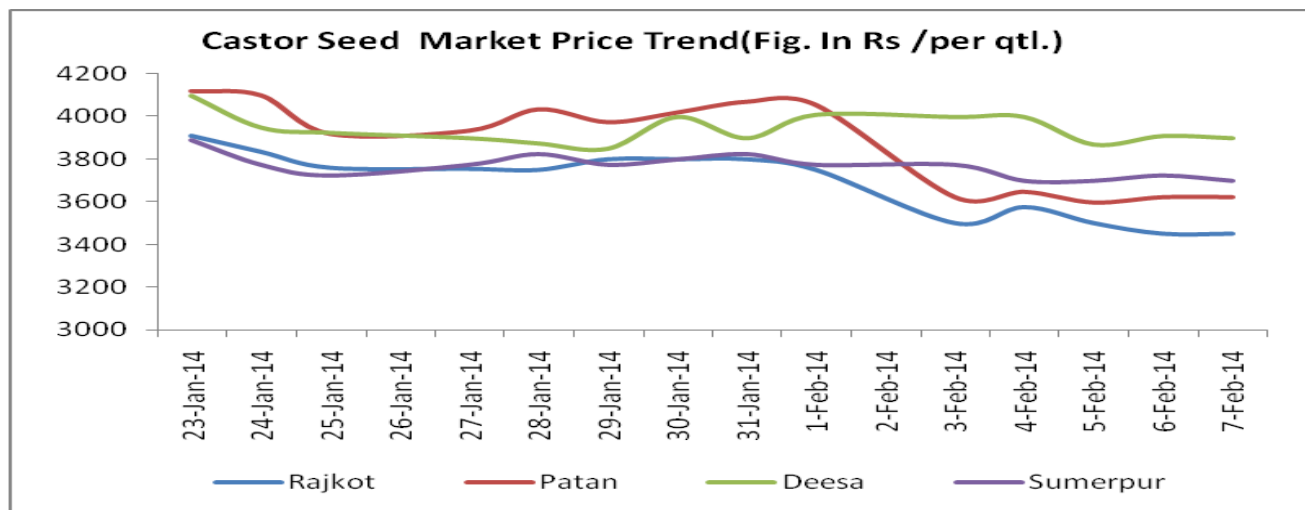
- Major buyers for castor oil have slowed down their buying. They have bought to fulfil their immediate commitments. There was talk in the market that some forward deals have been struck below \$1250 per tonne last week.
- China, France, European Union and Australia remain the major buyers for Indian castor oil. However, domestic users like soap and paints industries would continue to buy for their normal needs. Some sluggishness in buying is visible at this point of time as importers are waiting for stabilization in the market. Castor oil is being exported from India at \$1250 to \$1260 per T while Rotterdam quotes \$1540 per T. This means Indian exporters have opportunity to get more price in the international market.

Domestic market Outlook:

Market is likely to trade steady to slightly weak this week.

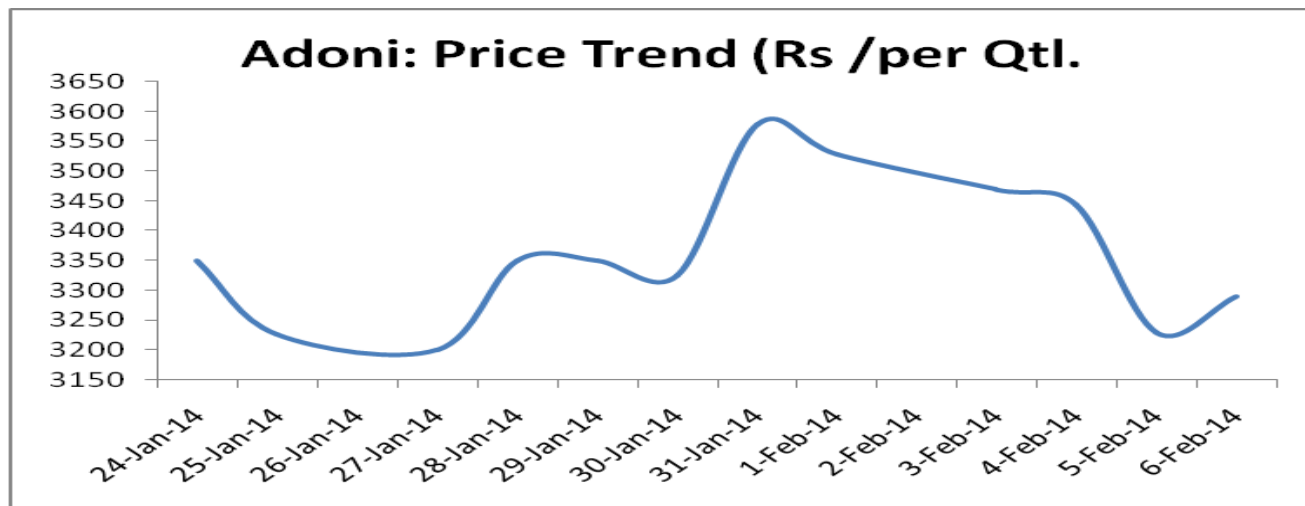
Castor Seed Price Chart:

Castor Seed arrival Chart:



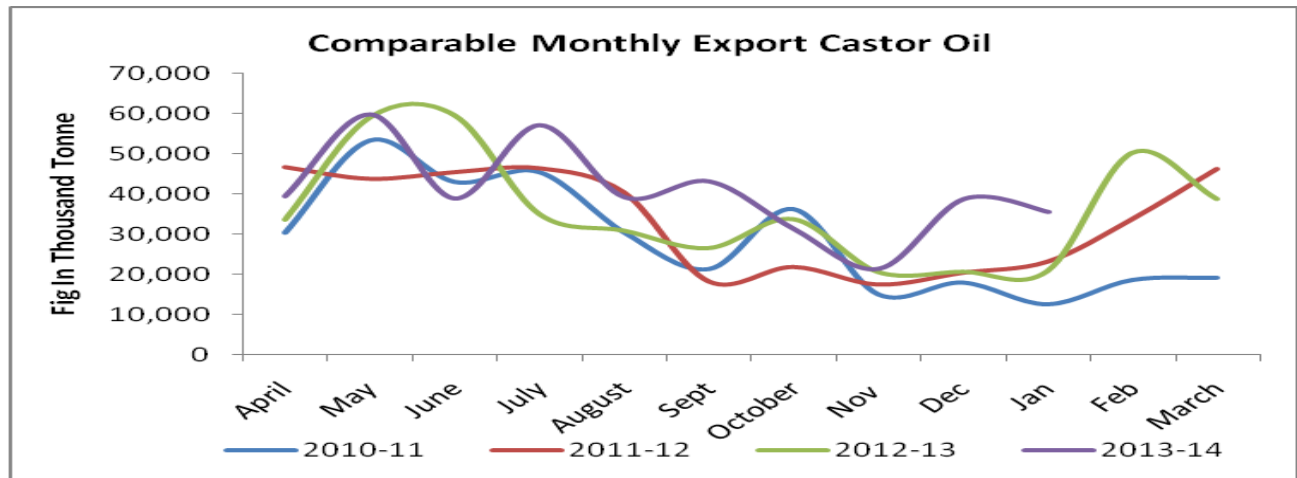
Castor seed prices declined considerably in comparison to January last week. Pressure is continued on market as it expects more arrivals in the weeks ahead. Major dip during the week under review was seen in Patan as is obvious from above given chart. Market participants expect market to stabilize at this level if oil price in the international market sustain at current level, otherwise more dip is a visible possibility in the near term.

Adoni Market (Andhra Pradesh):



Prices in Adoni market have improved at the weekend under review. Prices declined sharply in past two weeks. Major reason for sharp dip is mainly attributed to lower seed quality and increasing arrivals prices are likely to improve slightly in the weeks ahead as seed is ruling lower to other marketing centers.

Castor Oil Export Trend:



Castor oil export have followed seasonality as usual. As Dec-Jan are considered lean season and prices rules higher, Export volumes come down generally in these months.. However it starts increasing from Feb. as arrival pressure starts building up. In the month of dec-2013 total export registered at around 20,000 tonne against last year's (2012-Dec)/ 20,235 tonne .

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 4006.

Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor seed	NCDEX	March	3935	4007	4156	4201	4350
Intraday Trade Call			Call	Entry	T1	T2	SL
Castor seed	NCDEX	March	Buy	Above 4050	4150	4200	4006

Castor Price Scenario (Weekly Avarage)					
Commodity	Center	Market	Price (Rs/Q)		Change
			1st Feb-7th Feb	25 Jan-31 Jan	
Castor Seed	Gujarat	Rajkot	3753	3778	-25
		Gondal	3834	3897	-63
		Patan	3307	3993	-686
		Deesa	3298	3905	-607
		Mehsana	3890	3279	611
		Kadi	3815	3990	-175
		Ahmedabad	3283	4005	-722
	Rajasthan	Sumerpur	3721	3788	-67

Castor Price Weekly					
Commodity	Center	Market	Price (Rs/Q)		
			Today	Week Ago	2 Week Ago
			7-Feb-14	31-Jan-14	24-Jan-14
Castor Seed	Gujarat	Rajkot	3750	3800	3835
		Gondal	3805	3930	3855

Castor Weekly Report

7th February 2014

		Patan	3925	4070	4100
		Deesa	3910	3900	3950
		Mehsana	3900	3990	4500
		Kadi	3500	4015	3950
		Ahmedabad	3800	4000	NR
	Rajasthan	Sumerpur	3725	3825	3775

Commodity	Center	Market	Price (Rs/Q)		Change
			7-Feb-14	31-Jan-14	
Castor Seed	Gujarat	Rajkot	3750	3800	-50
		Gondal	3805	3930	-125
		Patan	3925	4070	-145
		Deesa	3910	3900	10
		Mehsana	3900	3990	-90
		Kadi	3500	4015	-515
		Ahmedabad	3800	4000	-200
	Rajasthan	Sumerpur	3725	3825	-100

Castor Seed Arrivals on 7.02.2014

Commodity	Center	Market	Fig. in per bags(80kg)		Change %
			7-Feb-14	31-Jan-14	
Castor Seed	Gujarat	Rajkot	3165	2384	32.76
		Gondal	1055	1520	-30.59
		Patan	8159	9095	-10.29
		Deesa	8220	12257	-32.94
		Mehsana	1100	1520	-27.63
		Kadi	4800	6100	-21.31
	Rajasthan	Sumerpur	1500	1750	-14.29
	Total Arrival		27999	34626	-19.14

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