

**Castor Domestic Fundamentals: -**

- Castor seed prices traded firm on fresh buying support from stockists/brokers on the expectation of higher prices in the months ahead as short supply seems a visible possibility due to lower crop size this year. However, one downward correction is expected in March- April as arrival would reach its peak during this period.
- Prices increased considerably in Patan to Rs 4444 per qtl. While it is being traded at Rs 3738 per qtl. in Rajkot. Arrivals in the market is increasing slowly and farmers too may release lower stock this year as they are well aware of emerging scenario in local markets.
- Major trend for price would be clear once castor conference estimate is released on 22<sup>nd</sup> February, 2014, scheduled to be held on 22nd Feb in Ahmedabad. Traders expect that crop size would be not more than 11 lakh tonnes against the last year's production of 14 lakh tonne.
- This year crop size is expected to be lower by 2 lakh tonne from previous year to 12.04 lakh tonne against last year's production of 14.04 lakh tonne. Traders 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 comes to an end.
- 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.

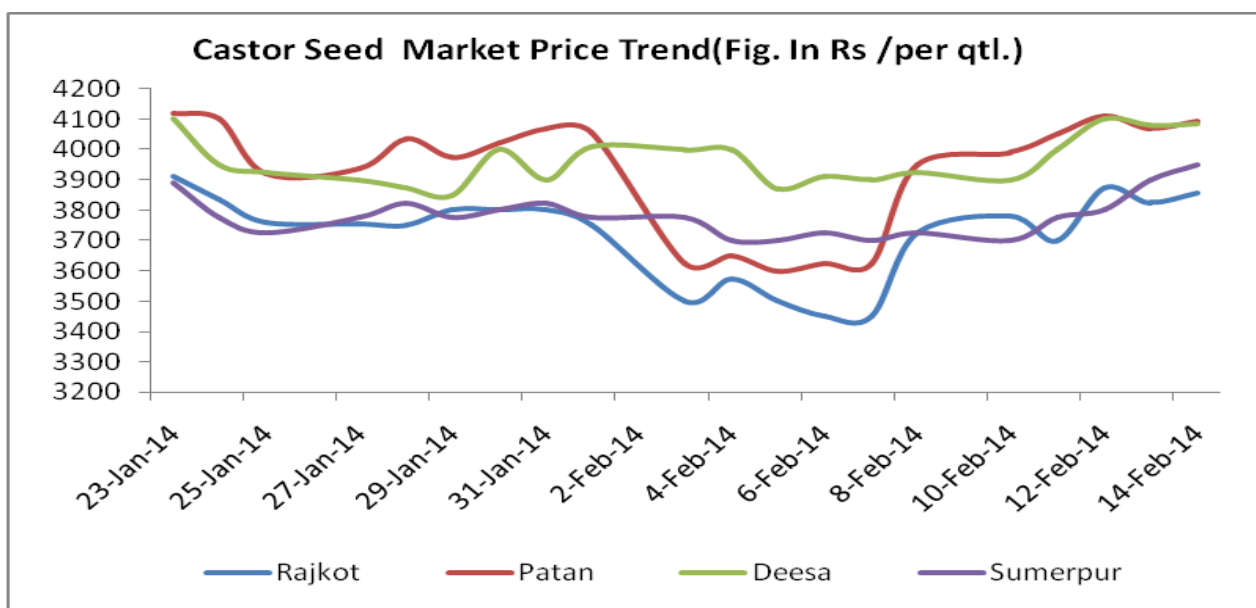
**International Market Update:**

- Major buyers are expected to enter into the market from mid March as they expect prices to fall on supply pressure from new crop. There was talk in the market that some forward deals have been struck below \$1240-1245 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 \$1240 to \$1250 per T while Rotterdam quotes \$1520-1530 per T.

**Domestic market Outlook:**

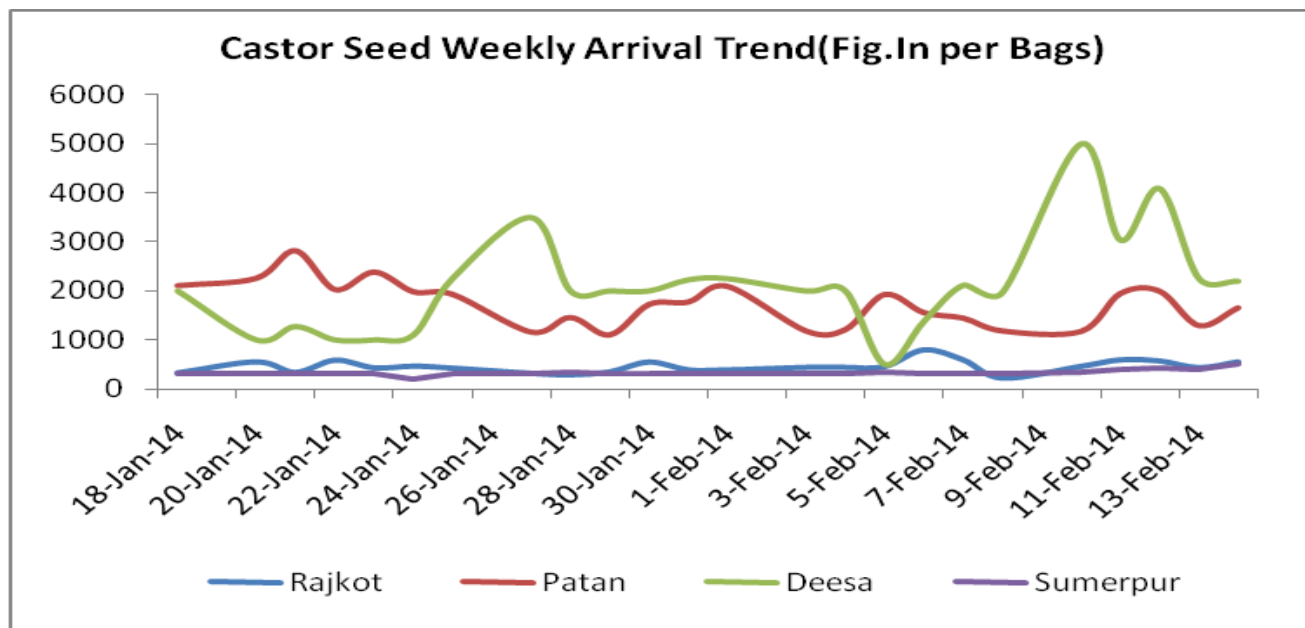
**Market is likely to trade steady to slightly firm this week.**

## Castor Seed Price Chart:



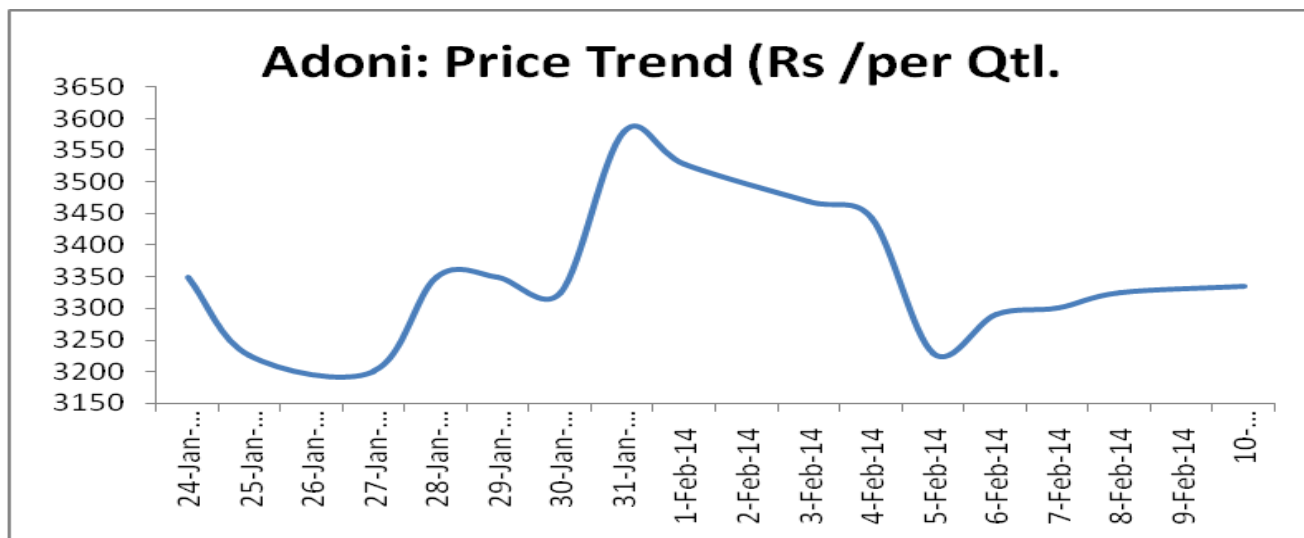
Prices of castor seed improved slightly from previous week on fresh buying support from bulk buyers. Stockists are engaged in building up stock in anticipation of higher prices this year as crop size is lower and demand for castor oil remains encouraging. However, downward correction in the market is awaited.

## Castor Seed arrival Chart:



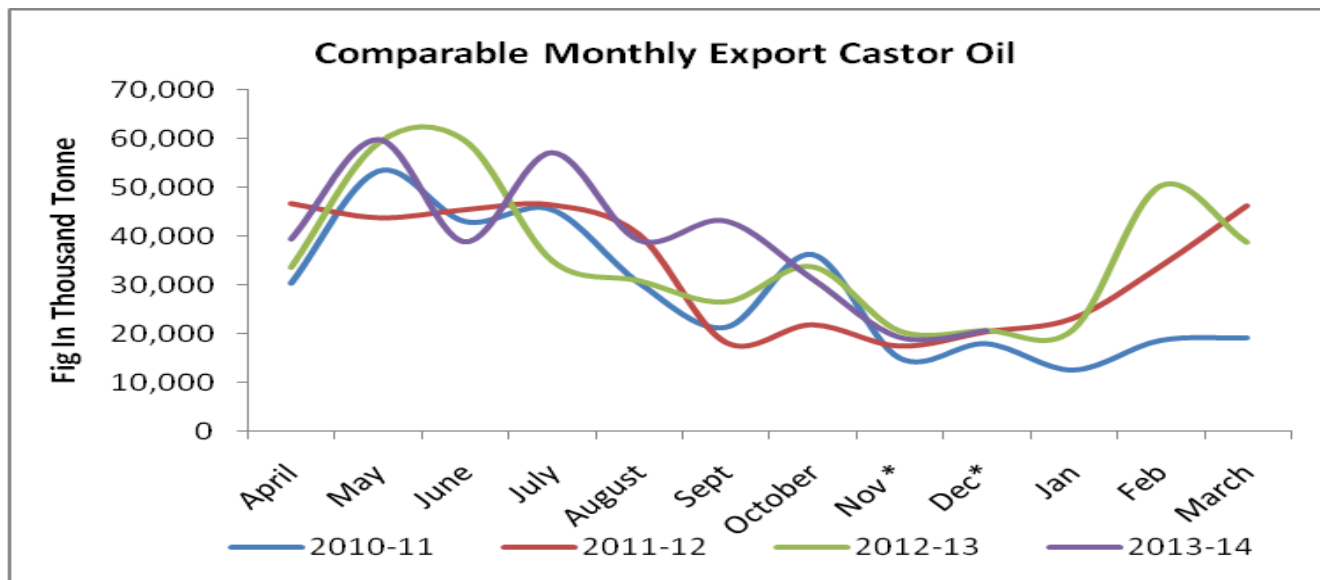
Castor Seed arrivals in major markets like Deesa and Patan have been on the rise during the week under review. Arrivals are expected to improve in the weeks ahead.

**Adoni Market(Andhra Pradesh):**



Prices in Adoni market have improved slightly getting support from other cash market. Market is expected to trade steady in the weeks ahead. Arrivals in these market too have increased slightly.

**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 downtrend; however, market may move up once again.
- Prices are hovering at neutral region.
- Last candlestick depicts slight weakness.
- Players are advised to buy above the given level maintaining stop loss strictly at 4050.

## Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor seed	NCDEX	March	4052	4106	4176	4276	4305
Intraday Trade Call			Call	Entry	T1	T2	SL
Castor seed	NCDEX	March	Buy	Above 4105	4200	4275	4050

Castor Price Scenario (Weekly Avarage)					
Commodity	Center	Market	Price (Rs/Q)		Change
			8th Feb-14th Feb	1st Feb-7th Feb	
Castor Seed	Gujarat	Rajkot	3793	3753	40
		Gondal	3863	3834	29
		Patan	4044	3307	737
		Deesa	4001	3298	703
		Mehsana	3958	3890	68
		Kadi	4025	3815	210
		Ahmedabad	3958	3283	675
	Rajasthan	Sumerpur	3842	3721	121

Castor Price Weekly					
Commodity	Center	Market	Price (Rs/Q)		
			Today	Week Ago	2 Week Ago
			14-Feb-14	7-Feb-14	31-Jan-14
Castor Seed	Gujarat	Rajkot	3855	3750	3800
		Gondal	3830	3805	3930
		Patan	4095	3925	4070
		Deesa	-	3910	3900
		Mehsana	4050	3900	3990
		Kadi	4075	3500	4015
		Ahmedabad	4075	3800	4000
	Rajasthan	Sumerpur	3925	3725	3825

Commodity	Center	Market	Price (Rs/Q)		Change
			14-Feb-14	7-Feb-14	
Castor Seed	Gujarat	Rajkot	3855	3750	105
		Gondal	3830	3805	25
		Patan	4095	3925	170
		Deesa	-	3910	-
		Mehsana	4050	3900	150
		Kadi	4075	3500	575
		Ahmedabad	4075	3800	275
	Rajasthan	Sumerpur	3925	3725	200

## Castor Seed Weekly Arrivals on 14.02.2014

Commodity	Center	Market	Fig. in per bags(80kg)		Change %
			14-Feb-14	7-Feb-14	
Castor Seed	Gujarat	Rajkot	2890	3165	-8.69
		Gondal	1610	1055	52.61
		Patan	9192	8159	12.66
		Deesa	16355	8220	98.97
		Mehsana	1400	1100	27.27
		Kadi	8100	4800	68.75
	Rajasthan	Sumerpur	1950	1500	30.00
	Total Arrival		41497	27999	48.21

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