

**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.
- 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 Rs3700 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.

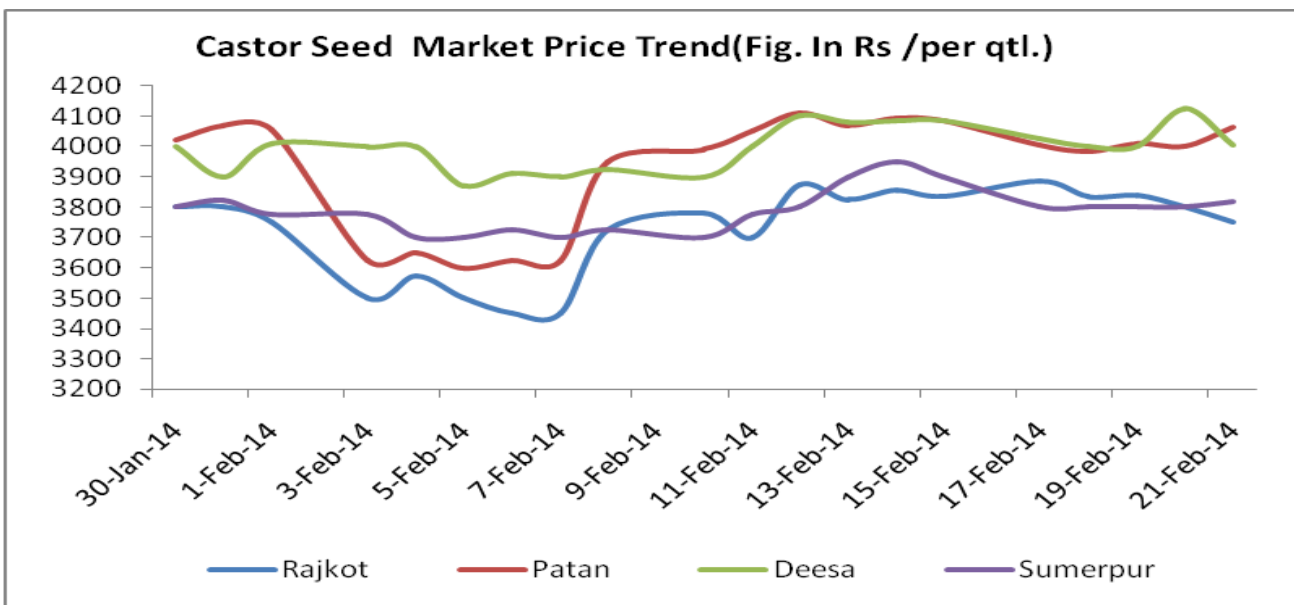
**International Market Update:**

- 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:**

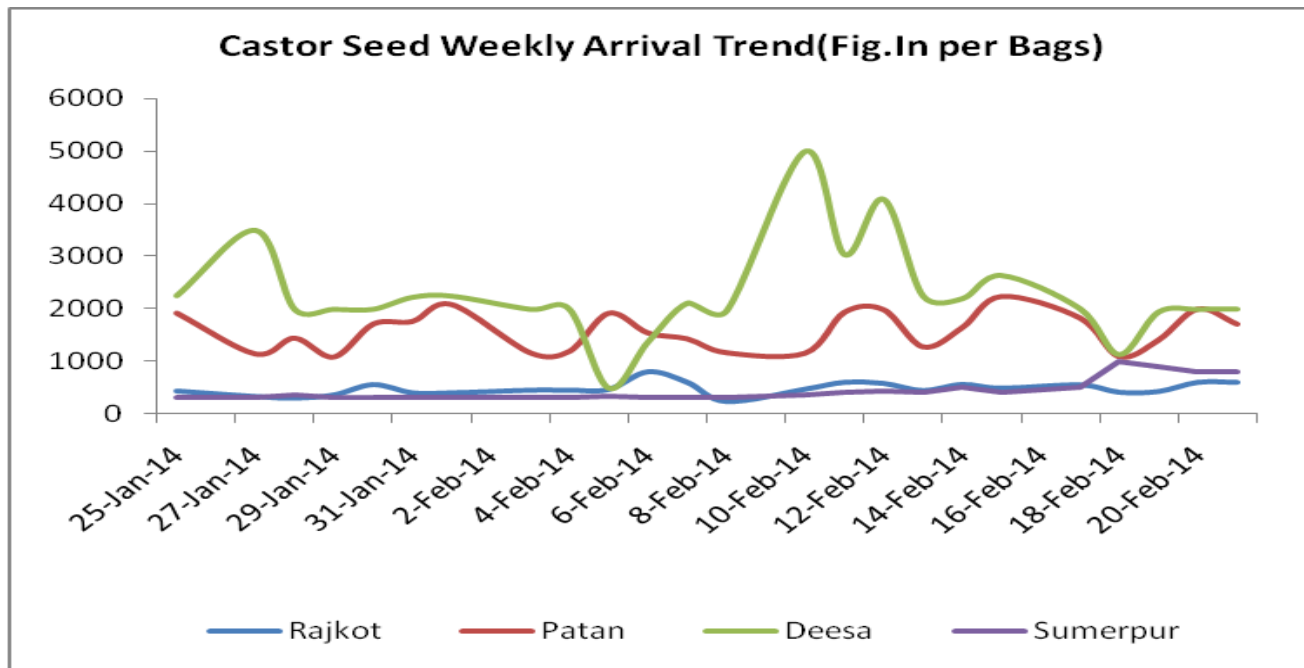
**Market is likely to trade steady to slightly firm this week.**

## Castor Seed Price Chart:



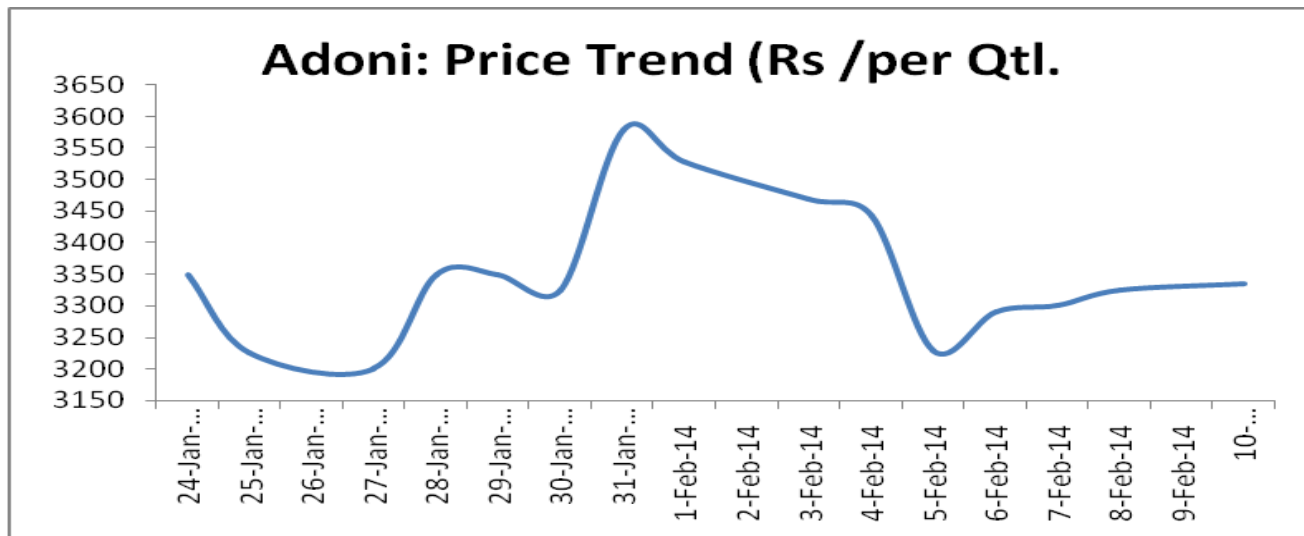
Prices of castor seed improved slightly from previous week on fresh buying support from bulk buyers. Stockists are engaged in building up stock in anticipation of higher prices this year as crop size is lower and demand for castor oil remains encouraging. However, downward correction in the market is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

## Castor Seed arrival Chart:



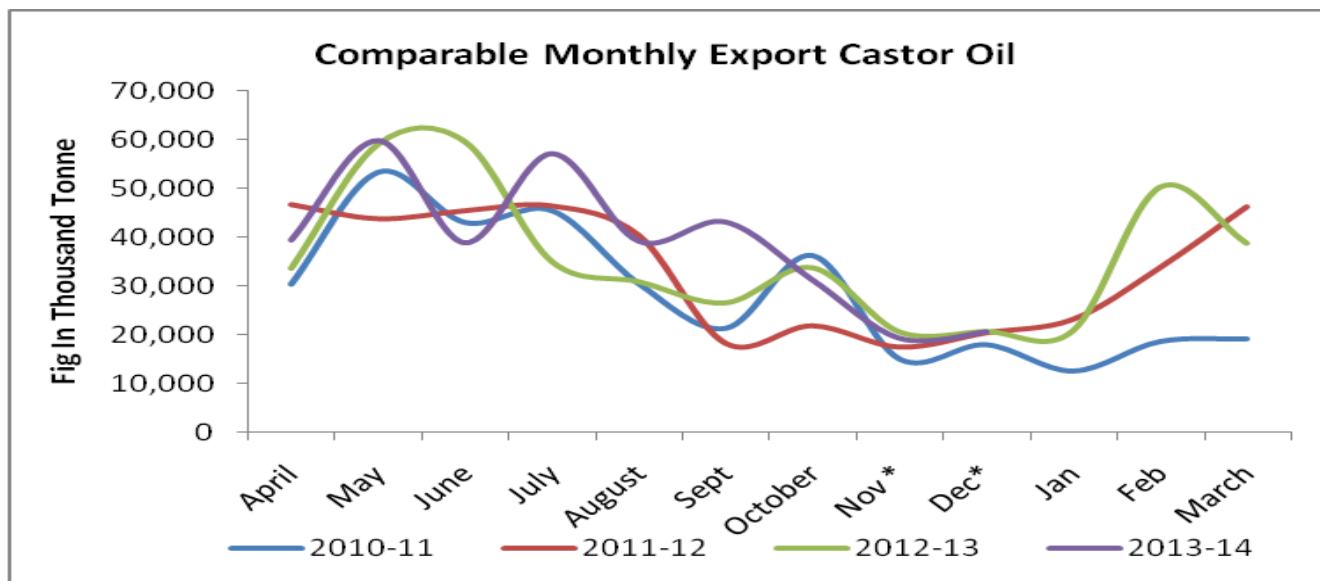
Castor Seed arrivals in major markets like Deesa and Patan have been on the rise during the week under review. Arrivals are expected to improve in the weeks ahead.

### 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 markets too have increased slightly.

### Castor Oil Export Trend:



Castor oil export has followed seasonality as usual. As Dec-Jan are considered lean season and prices are 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 in uptrend.
- Prices are hovering at neutral region.
- Last candlestick depicts slight Firmness.
- Fall in OI and rise in Price indicates short recovering.

## Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor seed	NCDEX	March	4150	4200	4295	4450	4500
Intraday Trade Call			Call	Entry	T1	T2	SL
Castor seed	NCDEX	March	Buy	Above 4300	4380	4420	4295

Castor Price Scenario (Weekly Avarage)					
Commodity	Center	Market	Price (Rs/Q)		Change
			15th Feb-21st Feb	8th Feb-14th Feb	
Castor Seed	Gujarat	Rajkot	3824	3793	31
		Gondal	3938	3863	75
		Patan	4025	4044	-19
		Deesa	4040	4001	39
		Mehsana	3997	3958	39
		Kadi	3987	4025	-38
		Ahmedabad	4004	3958	46
	Rajasthan	Sumerpur	3820	3842	-22

Castor Price Weekly					
Commodity	Center	Market	Price (Rs/Q)		
			Today	Week Ago	2 Week Ago
			21-Feb-14	14-Feb-14	7-Feb-14
Castor Seed	Gujarat	Rajkot	3750	3855	3750
		Gondal	3955	3830	3805
		Patan	4065	4095	3925
		Deesa	4005	-	3910
		Mehsana	4010	4050	3900
		Kadi	4050	4075	3500
		Ahmedabad	4025	4075	3800
	Rajasthan	Sumerpur	3820	3925	3725

Commodity	Center	Market	Price (Rs/Q)		Change
			21-Feb-14	14-Feb-14	
Castor Seed	Gujarat	Rajkot	3750	3855	-105
		Gondal	3955	3830	125
		Patan	4065	4095	-30
		Deesa	4005	-	-
		Mehsana	4010	4050	-40
		Kadi	4050	4075	-25

		Ahmedabad	4025	4075	-50
	Rajasthan	Sumerpur	3820	3925	-105

## Castor Seed Weekly Arrivals on 21.02.2014

Commodity	Center	Market	Fig. in per bags(80kg)		Change %
			21-Feb-14	14-Feb-14	
Castor Seed	Gujarat	Rajkot	3075	2890	185
		Gondal	1118	1610	-492
		Patan	10294	9192	1102
		Deesa	11742	16355	-4613
		Mehsana	1850	1400	450
		Kadi	9500	8100	1400
	Rajasthan	Sumerpur	4400	1950	2450
	Total Arrival		41979	41497	482

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