

Castor Domestic Fundamentals: -

- Castor seed market traded flat during the week under review as buyers remained active for cornering stock at lower level. As arrival is expected to increase prices are likely to trade slightly lower this week. Recent rains have restricted arrivals in Rajasthan markets. However, weather opens now and market hopes more arrivals in the weeks ahead.
- The price outlook, expected global demand for oil and data regarding APY presented in global castor conference on 22nd Feb.2014 in Ahmedabad organized by SEA remained the center point of attraction for the stake holders engaged in castor seed, oil and its derivatives business in the last week of February.
- Expected shortfall in seed availability hints market to move northward from June this year. However, peak arrival season is just to start and market is expected to decrease from current level in March & April.
- Pankaj Kumar, vice president Agro Commodities, Adani Wilmar Limited has estimated 11.80 lakh tonne production in 2013-14. The season started with 3.71 lakh tonne carryout stock.
- Thus total availability of seed comes to 15.51 lakh tonne against 18.70 lakh tonne last year. Lower production estimate has been attributed mainly to lower acreage and yield.
- Against this Agriwatch estimates 11.49 lakh tonne seed production in 2013-14 against 14.04 lakh tonne last year. As per Agriwatch estimate the season started with 3.84 lakh tonne carry out.
- Thus total availability comes to 15.33 lakh tonne. At 46 percent oil recovery the total oil availability would be around 7.00 lakh tonne against the expected total global and domestic demand of 7.5 lakh tonne of oil. It clearly indicates short supply in the medium term.
- It may be noted that there is a clear mismatch between oil demand and supply. The impact of tight supply position may be felt June onward. Foreign buyers are expected to build up stock before first half.

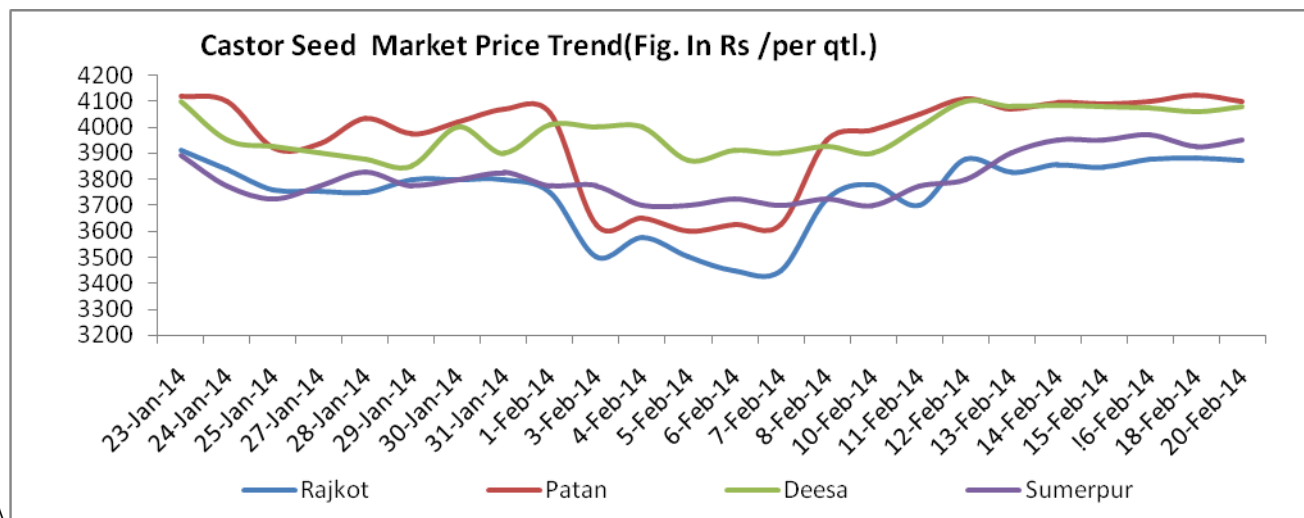
International Market Update:

- 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 \$1250-1265 per tonne last week.
- Castor seed production in China is likely to decrease by 44.44 percent from 90,000 tonnes to 50,000 thousand tonnes in 2013-14. Higher cost of production and increasing wages are the main reasons for lower crop size.
- Brazil crop size too is expected to decrease by 36 percent to 16000 thousand tonnes this year from 25000 tonnes from last year.

Domestic market Outlook:

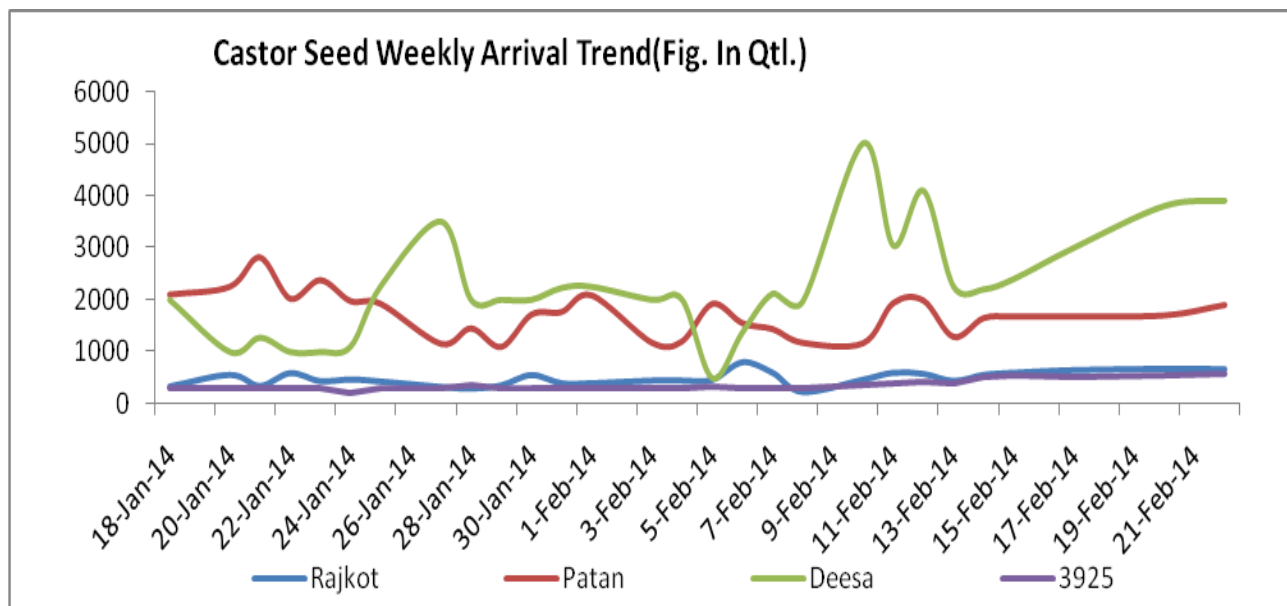
Market is likely to trade flat to slightly weak.

Castor Seed Price Chart:



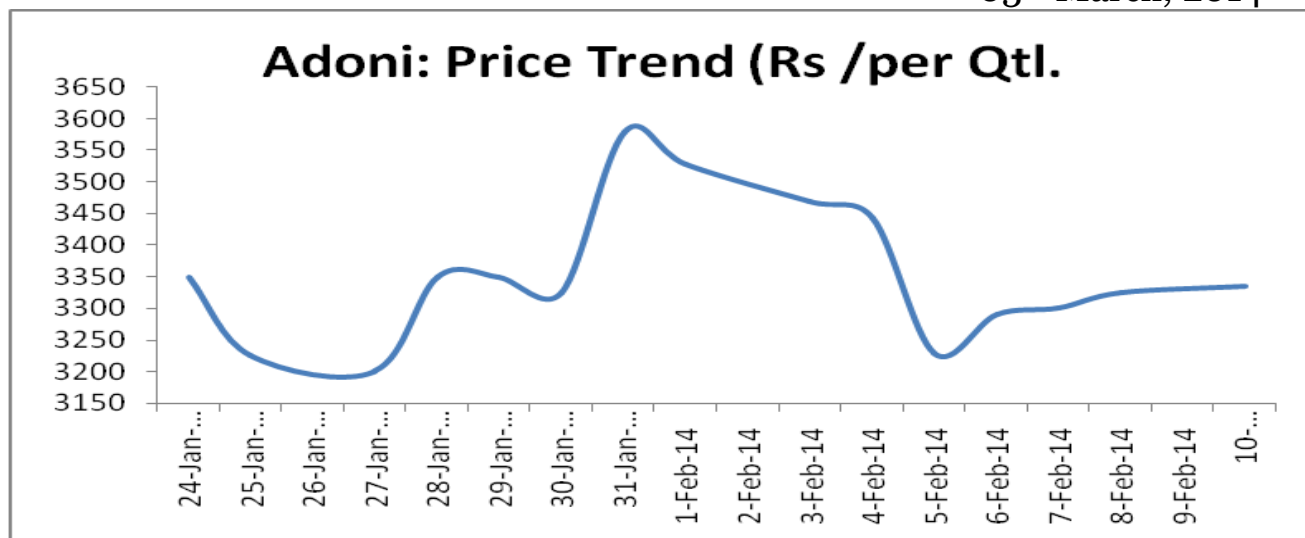
Prices have been heading northward from the beginning of Feb and the trend continues. However, market is expected to dip in the weeks ahead. Any steep fall from current level is unlikely as crop size is lower.

Castor Seed arrival Chart:



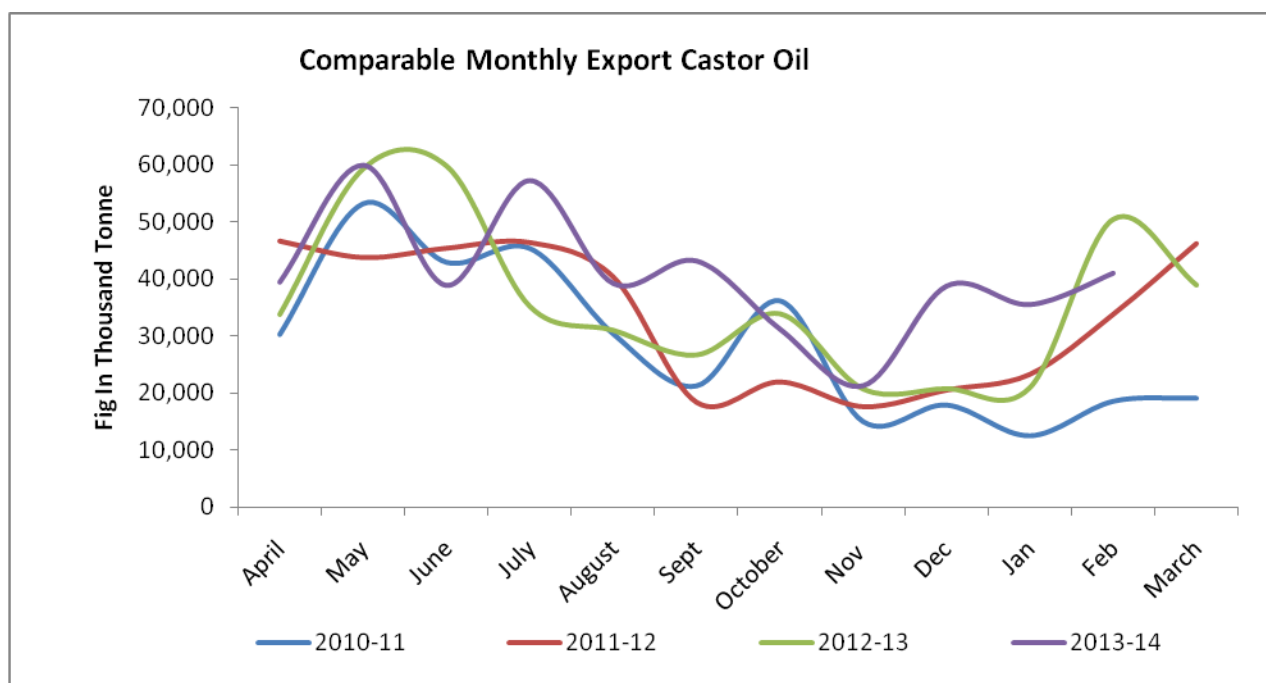
Arrivals have improved in the month of Feb and it will continue to increase in the month of March and April. With opening of the weather farmers are expected to release more stock this month as usual.

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 generally follow seasonality as we see during last four years. However, production, demand and parity direct market movement.

This year (2013-14) in Nov-Dec oil export demand increased suddenly due to crop loss news in Gujarat and Andhra Pradesh in the month of Set.-Oct 2013. The upward trend continues.

Technical Analysis:



Technical Commentary:

- Castor prices are still hovering in downtrend; however, market may move up once again in the long term.
- Prices are hovering at neutral region.
- Last candlestick depicts slight weakness.
- Players are advised to sell below the given level maintaining stop loss strictly at 4225.

Strategy: Sell

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor seed	NCDEX	March	3975	4049	4173	4224	4305
Intraday Trade Call			Call	Entry	T1	T2	SL
Castor seed	NCDEX	March	Sell	Below 4205	4100	4050	4225

Castor Seed Weekly Prices on 28.02.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			28-Feb-14	21-Feb-14	
Castor Seed	Rajasthan	Sumerpur	3825	3820	5
	Gujarat	Rajkot	3900	3750	150
		Gondal	4105	3955	150
		Patan	4010	4065	-55
		Deesa	4250	4005	245
		Mehsana	4000	4010	-10
		Kadi	4000	4050	-50
		Ahmedabad	4000	4025	-25

Castor Price Weekly					
Commodity	Center	Market	Price (Rs/Q)		
			Today	Week Ago	Month Ago
			28-Feb-14	21-Feb-14	28-Jan-14
Castor Seed	Rajasthan	Sumerpur	3825	3820	3825
	Gujarat	Rajkot	3900	3750	3750
		Gondal	4105	3955	3855
		Patan	4010	4065	4035
		Deesa	4250	4005	3875
		Mehsana	4000	4010	3950
		Kadi	4000	4050	4025
		Ahmedabad	4000	4025	4000

Castor Seed Weekly Arrivals on 28.02.2014

Commodity	Center	Market	Fig. in per bags(80kg)		Change %
			28-Feb-14	21-Feb-14	
Castor Seed	Rajasthan	Sumerpur	3300	4400	-25.00
	Gujarat	Rajkot	2300	3075	-25.20
		Gondal	1393	1118	24.60
		Patan	8946	10294	-13.10
		Deesa	13843	11742	17.89
		Mehsana	2400	1850	29.73

	Kadi	8800	9500	-7.37
	Total Arrival	40982	41979	-2.37

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