

Castor Domestic Fundamentals: -

- **Cash Market traded weak during the week ended 22nd March on the back of higher arrivals** and weak sentiment prevailing in the market. Arrivals have improved considerably and pressure might be seen this week too. Prices have declined considerably in major bench mark markets. With increasing arrivals prices are likely to stabilize near Rs 3750 to Rs 3800 per qtl.
- **Millers quoted oil price at Rs 8350 per qtl in Mehsana. Seed** prices are ruling around Rs 3900 per qtl. With this price millers get margin of Rs 40 to Rs 45 per qtl from oil and meal selling. As demand for oil is good in the domestic and global market, any steep fall in cash market is unlikely.
- **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. Trade estimates production near 11.8 lakh tonne. This means India has lower seed availability than actual demand. India needs 15.5 to 16 lakh tonne seed to meet global and domestic oil demand.
- **Thus total availability comes to near 15.50 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 7.3 lakh tonne of oil. It clearly indicates short supply in the medium term.
- **Govt has released second adv. estimate of foodgrains** production for 2013-14 on 14, Feb, 2014. Market participants are surprised to see the inflated figure of castor seed production this year. Govt. has estimated 16.46 lakh tonne castor seed production this year against the set target of 15.81 lakh tonne. Market expert sees production at around 11 lakh tonne.
- **Market participants expect more decline as peak arrival season (March-April) is not far away from now.** However, any steep dip from current level is unlikely as market is well aware of lower crop size this year. Market is expected to stabilize in the range of Rs 3750 to Rs 3800 per qtl depending on quality and marketing centers of the seed.
- **This year area under castor seed decreased sharply from 11.1 lakh ha. to 9.84 lakh ha,** almost 1.97 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 12 lakh T against the last year production of around 14 lakh T.

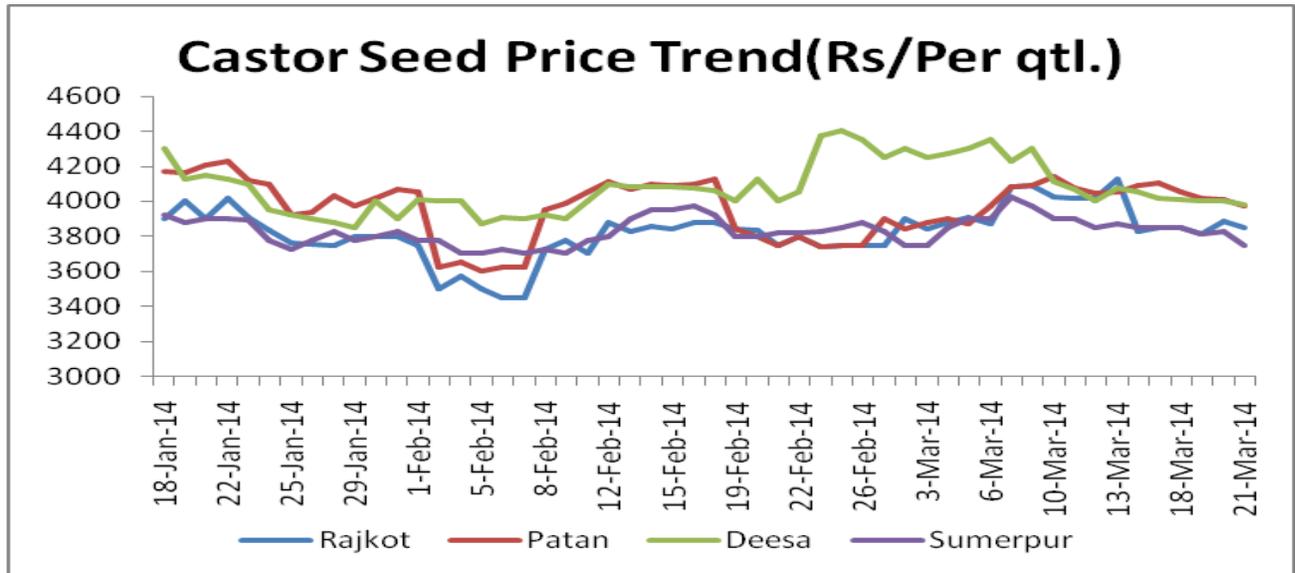
International Market Update:

- **Castor derivatives volume too is expected to go up from 1.2 lakh tonne to 1.25 lakh tonne.** China would continue to maintain its previous position as major importer. Its import volume may go up from 2.11 lakh tonne (2013) to 2.35 lakh tonne in 2014. Europe would remain second next to China with expected import of 1.45 lakh tonne in 2014. It had exported 1.3 lakh tonne in 2013.
- **New export deals are said to be struck at \$1350 per T on X factory rate.** Market participant says that more dip in oil price is unlikely even higher seed arrivals at this point of time. China and European buyers are active and more deals are expected by the end of this month.
- **Major importers of castor oil are buying only to fulfil their immediate** requirements. They would start fresh buying during peak arrival season in March as they expect correction in the market in the near term. By the time price of castor seed is expected to stabilize near Rs 3700 to 3800 per qtl.

Domestic market Outlook:

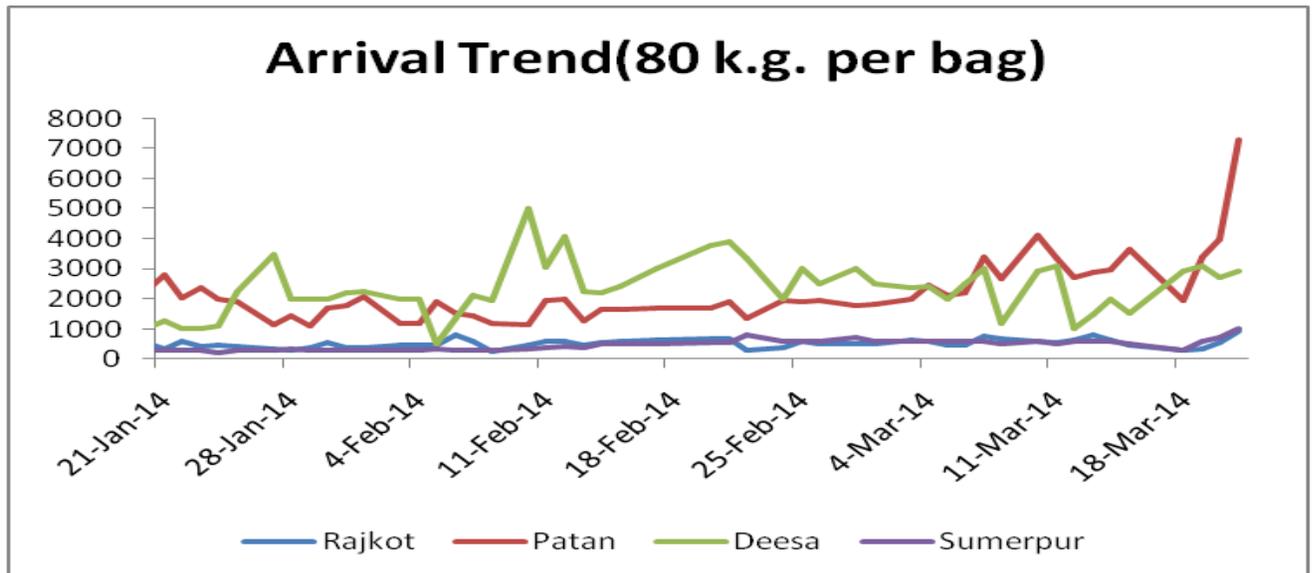
Market is likely to trade steady to slightly weak this week.

Castor Seed Price Chart:



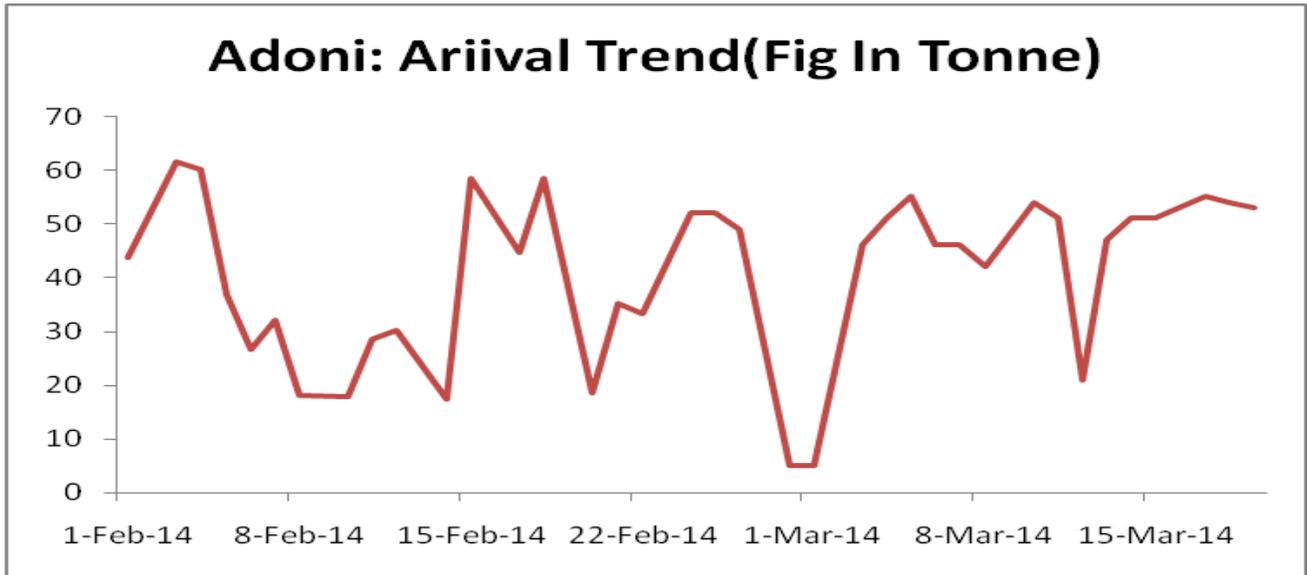
Prices in cash market continue to dip on the back of higher arrivals and weak sentiments prevailing in the market. Prices decreased in the range of Rs 75 to Rs 100 per qtl. in last one week. Downward pressure is expected to continue this week too as arrival is increasing. Market participants expect market to touch Rs 3700 per qtl. by the end of this month.

Castor Seed arrival Chart:



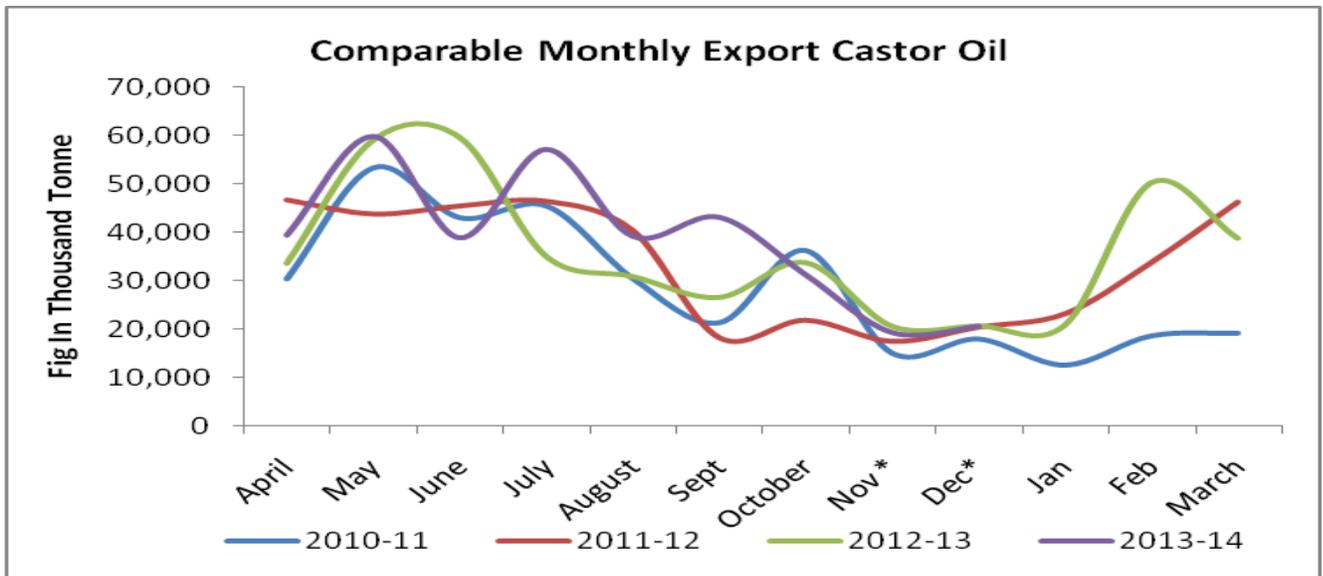
Castor Seed arrivals in major markets like Deesa and Patan have been on the rise during the week under review. Arrivals are expected to improve in the weeks ahead. Major increase has been seen in Patan and Deesa.

Adoni Market(Andhra Pradesh):

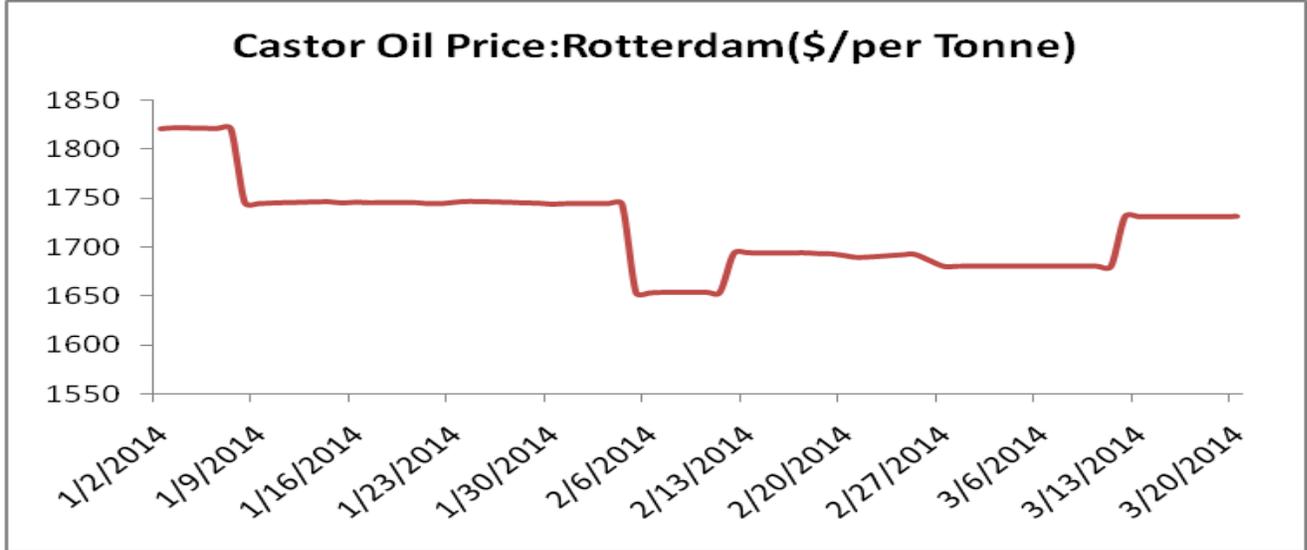


Prices in Adoni market have improved slightly getting support from other cash market. Market is expected to trade steady in the weeks ahead. Arrivals in Adoni too have decreased slightly. However it is higher than previous week.

Castor Oil Export Trend:



Castor oil export has 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 .



Price in Rotterdam has increased in the second week of March. However it is ruling steady during the week ended 22nd March. Prices are expected to dip slightly .

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 sell below 4225 maintaining stop loss strictly at 4260.

Strategy: Sell Below

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor seed	NCDEX	April	4070	4101	4178	4259	4305
Intraday Trade Call			Call	Entry	T1	T2	SL
Castor seed	NCDEX	April	Sell	Below 4225	4100	4075	4260

Castor Seed Weekly Prices on 21.03.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			21-Mar-14	14-Mar-14	
Castor Seed	Rajasthan	Sumerpur	3750	3850	-100
	Gujarat	Rajkot	3850	3925	-75
		Gondal	3855	3980	-125
		Patan	3970	4090	-120
		Deesa	Closed	4055	-
		Mehsana	3950	4050	-100
		Kadi	3950	NR	3950
		Ahmedabad	3950	3950	Unch

Castor Price Weekly

Commodity	Center	Market	Price (Rs/Q)		
			Today	Week Ago	Month Ago
			21-Mar-14	14-Mar-14	21-Feb-14
Castor Seed	Rajasthan	Sumerpur	3750	3850	3820
	Gujarat	Rajkot	3850	3925	3750
		Gondal	3855	3980	3955

24th March 2014

	Patan	3970	4090	4065
	Deesa	Closed	4055	4005
	Mehsana	3950	4050	4010
	Kadi	3950	NR	4050
	Ahmedabad	3950	3950	4025

Castor Seed Weekly Arrivals on 21.03.2014

Commodity	Center	Market	Fig. in Quintal		Change %
			21-Mar-14	14-Mar-14	
Castor Seed	Rajasthan	Sumerpur	2320	2720	-14.71
	Gujarat	Rajkot	2210	3925	-43.69
		Gondal	1428	1685	-15.25
		Patan	20305	18728	8.42
		Deesa	910	11729	-92.24
		Mehsana	2000	3160	-36.71
		Kadi	4118	1360	202.79
		Other Gujarat	70629	119413	-40.85
	Total Arrival			99802	161360

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php> © 2014 Indian Agribusiness Systems Pvt Ltd.