

Castor Domestic Fundamentals: -

- **Castor seed price traded lower during the last week of March due to** seasonal factors like increased arrivals from new crop, lower trading activities and March closing. All these factors drove market downward as usual. However, comparative arrivals in March have been 40 percent lower than March last year. Fresh buying activity would start from new financial year starting from 1st April.
- **There is a general talk in the market that short supply of seed would** be felt in the second half of the year as major buyers would retain around 30 percent of seed. This means almost 3.5 to 3.75 lakh tonne seed would remain in strong hands against total availability of 15 to 15.5 lakh tonne seed.
- **Monthly crushing quantity has increased from 50,000 tonnes in** January to 75 to 80 thousand tonnes in March. Agriwatch expects crushing to increase in April and May to one lakh tonne. It would encourage prices as market is well aware of emerging scenario of tight supply.
- **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.
- **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.

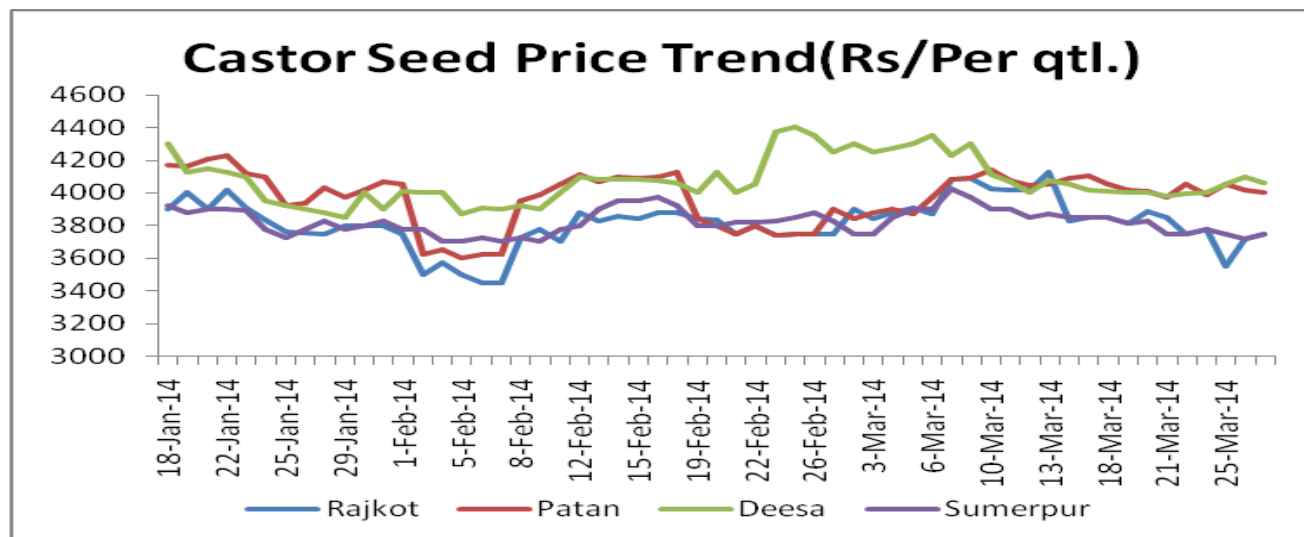
International Market Update:

- **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 Rs3700 to 3850 per qtl. depending on quality.

Domestic market Outlook:

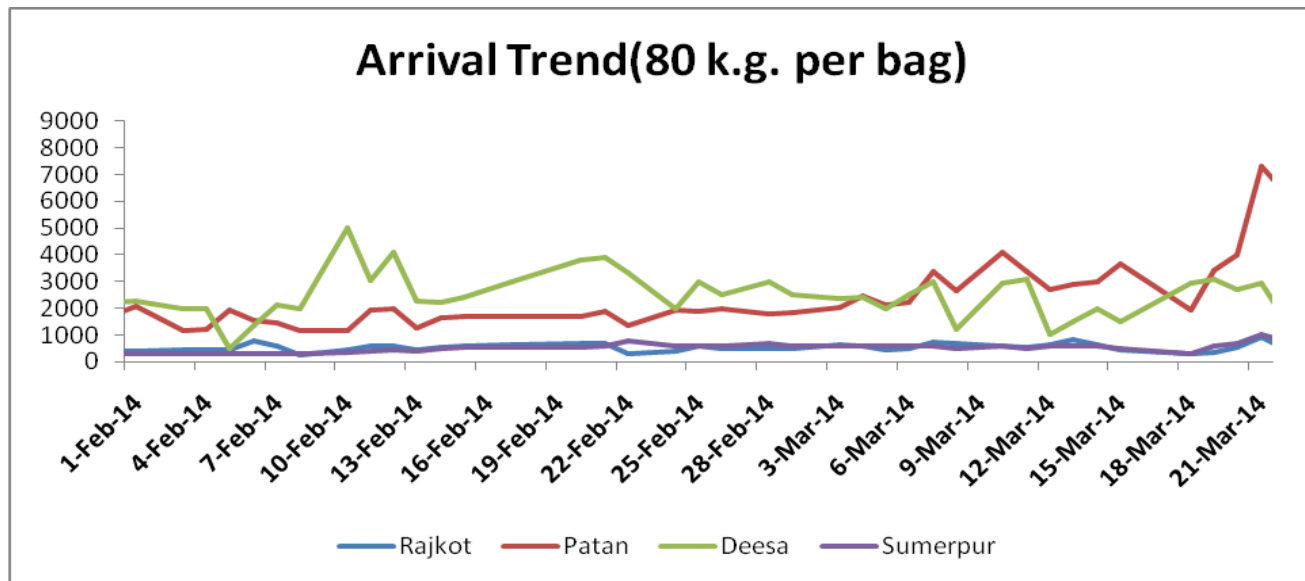
Market is likely to trade steady to slightly weak in the first week of April.

Castor Seed Price Chart:



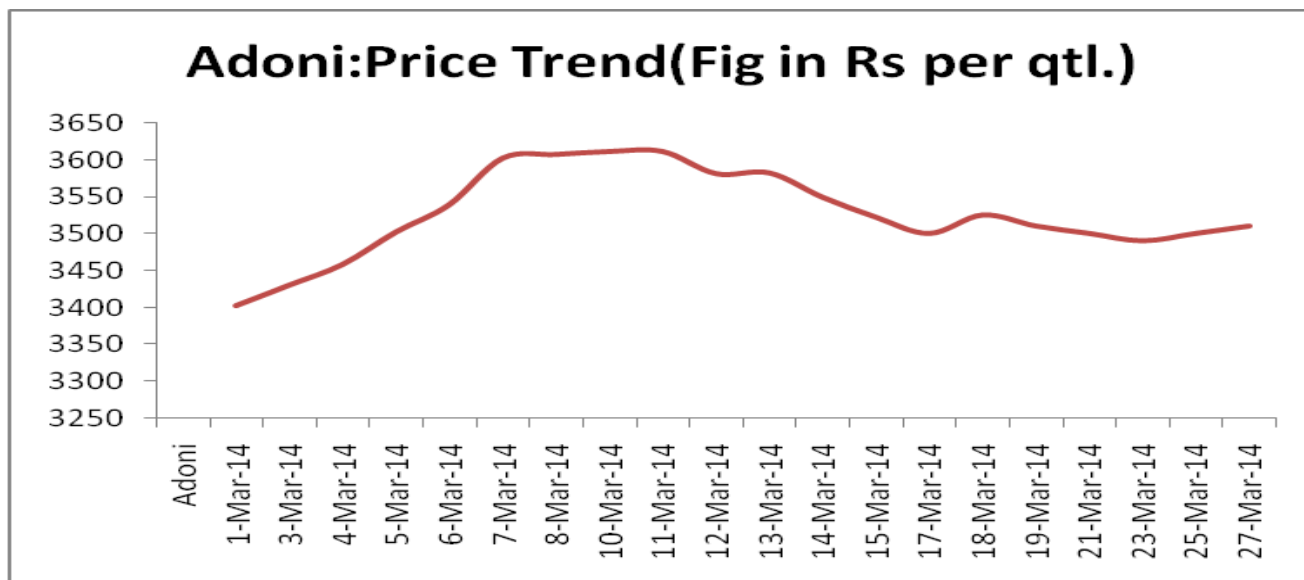
Cash market traded lower during the last week of March due to seasonal factors and March closing. Market participants expect that market should stabilize on current level, fresh buying interest is expected from this week once again. It would not allow market to have any steep dip from current level. Prices of castor seed in various markets decreased around Rs 20 to Rs 35 per qtl. in the last week.

Castor Seed arrival Chart:



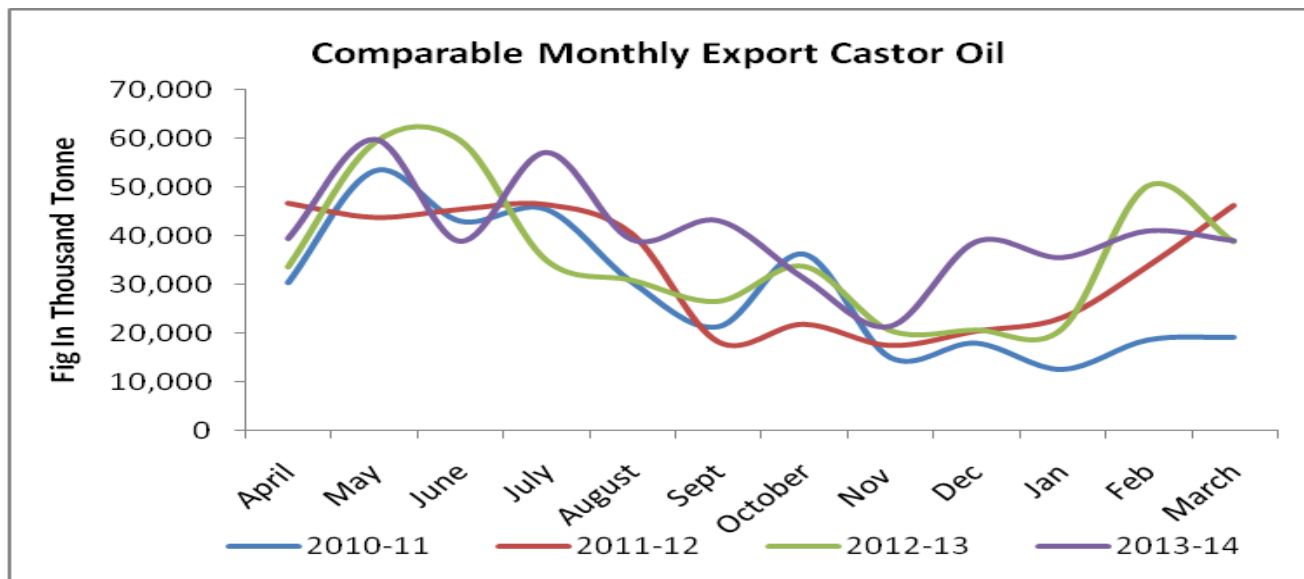
Arrivals in the market decreased slightly due to lower activities in the market at this point of time. Almost in all major mandis arrivals decreased and more decreased is expected this week. However, with likely start of normal trading activities arrival are expected to improve from the second week of April.

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 .Export in March up to 27th registered at 39000 tonne.It will increase in the month of April.

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 4180 maintaining stop loss strictly at 4210.

Strategy: Sell Below

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor seed	NCDEX	April	4000	4074	4159	4210	4275
Intraday Trade Call			Call	Entry	T1	T2	SL
Castor seed	NCDEX	April	Sell	Below 4180	4100	4075	4210

Castor Seed Weekly Prices on 28.03.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			28-Mar-14	21-Mar-14	
Castor Seed	Rajasthan	Sumerpur	Closed	3750	-
	Gujarat	Rajkot	Closed	3850	-
		Gondal	Closed	3855	-
		Patan	Closed	3970	-
		Deesa	Closed	Closed	-
		Mehsana	Closed	3950	-
		Kadi	Closed	3950	-
		Ahmedabad	Closed	3950	-

Castor Price Weekly					
Commodity	Center	Market	Price (Rs/Q)		
			Today	Week Ago	Month Ago
			28-Mar-14	21-Mar-14	28-Feb-14
Castor Seed	Rajasthan	Sumerpur	Closed	3750	3825
	Gujarat	Rajkot	Closed	3850	3900
		Gondal	Closed	3855	4105
		Patan	Closed	3970	4010
		Deesa	Closed	Closed	4250
		Mehsana	Closed	3950	4000
		Kadi	Closed	3950	4000
		Ahmedabad	Closed	3950	4000

Castor Seed Weekly Arrivals on 28.03.2014

Commodity	Center	Market	Fig. in Quintal		Change %
			28-Mar-14	21-Mar-14	
Castor Seed	Rajasthan	Sumerpur	Closed	2320	-
	Gujarat	Rajkot	Closed	2210	-
		Gondal	Closed	1428	-
		Patan	Closed	20305	-
		Deesa	Closed	910	-
		Mehsana	Closed	2000	-
		Kadi	Closed	4118	-
		Other Gujarat	Closed	70629	-
	Total Arrival		-	-	-

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