

Castor Domestic Fundamentals: -

- **Weakness continued in second consecutive weeks** due to higher arrivals and weak inner tone prevalent in the market hints more dip in the weeks ahead. Castor seed decreased in the range of Rs1 25 to Rs1 75 per qtl. in various markets of Gujarat and Rajasthan during last 15 days. Overall sentiments remain bearish as more arrivals may dampen market.
- **With increasing arrivals** in various mandis crushing of seed has increased from 50,000 bags to 80,000 bags month on month basis. Despite higher arrivals, overall comparative arrivals are lower by 25 percent in March. As supply in the domestic market is ample more dip in prices is a visible possibility.
- **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.
- **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 see production at around 11 lakh tonne.
- **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.
- **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.

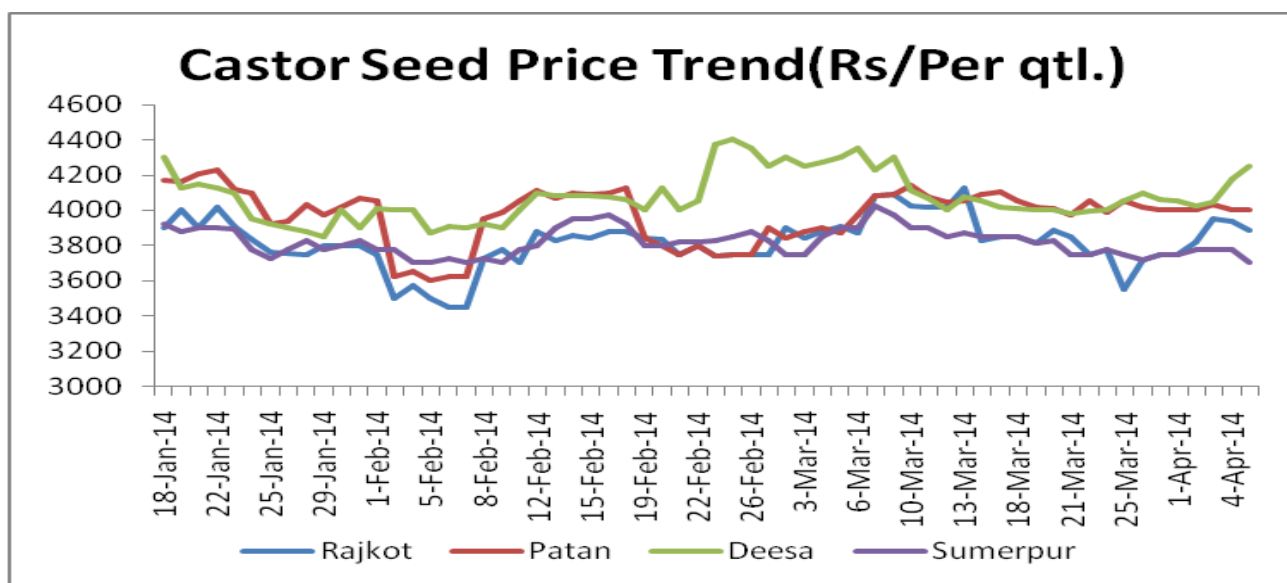
International Market Update:

- **Buyers from China, European Union and US have started enquiring** and some forward deals are expected in the third week of April. 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 \$1340 per T on X factory rate** in the last week of March by China and quantity in question is 5000 thousand. 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:

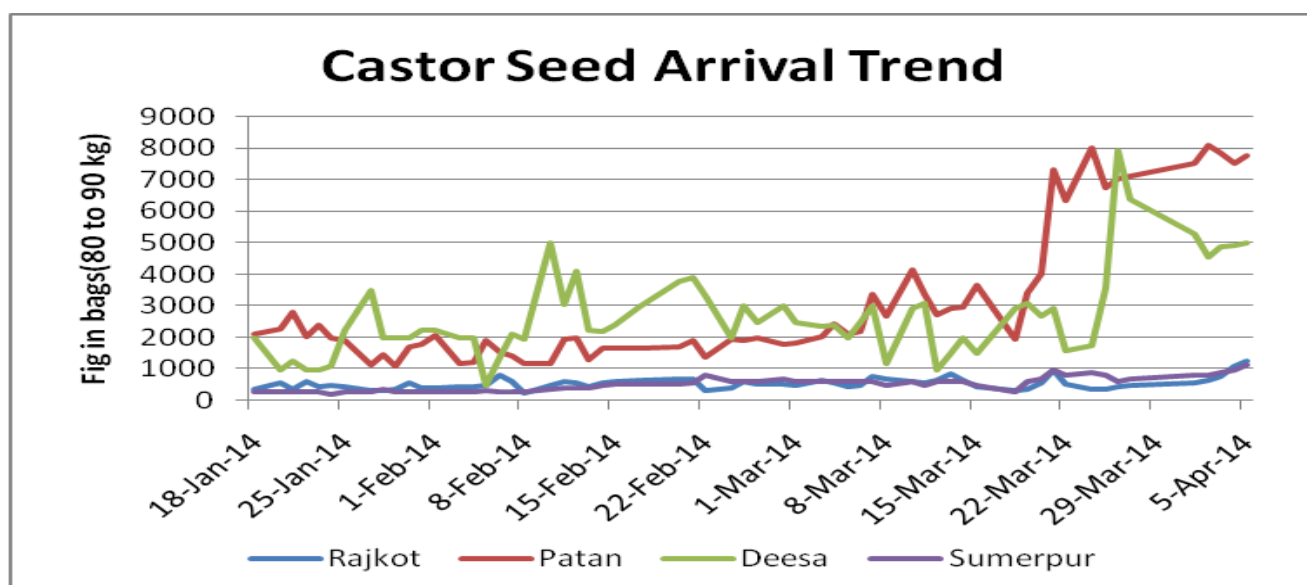
Market is likely to trade steady to slightly weak in the Second week of April.

Castor Seed Price Chart:



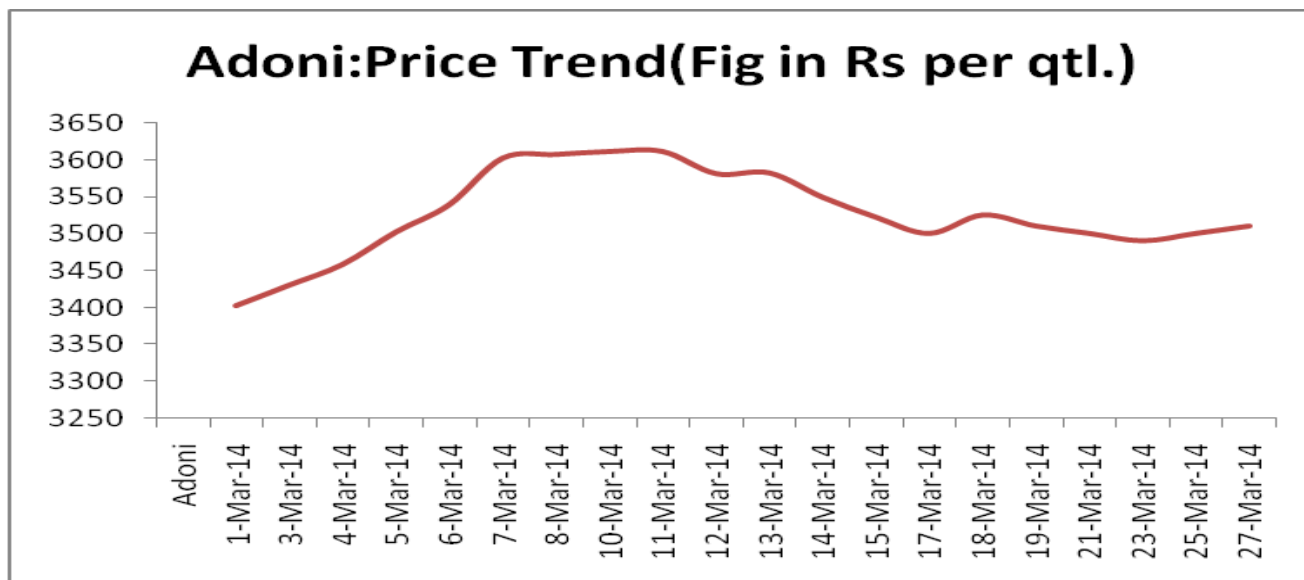
Cash market traded almost lower during the last week under review due to seasonal factors like higher arrivals and sluggish trading activities due to March closing. However, prices in Deesa mandi increased due to buyers's interest and lower arrivals. Market participants expect that market may decline as major buyers have restricted oil buying as they expect a decline of Rs 50 per qtl.

Castor Seed arrival Chart:



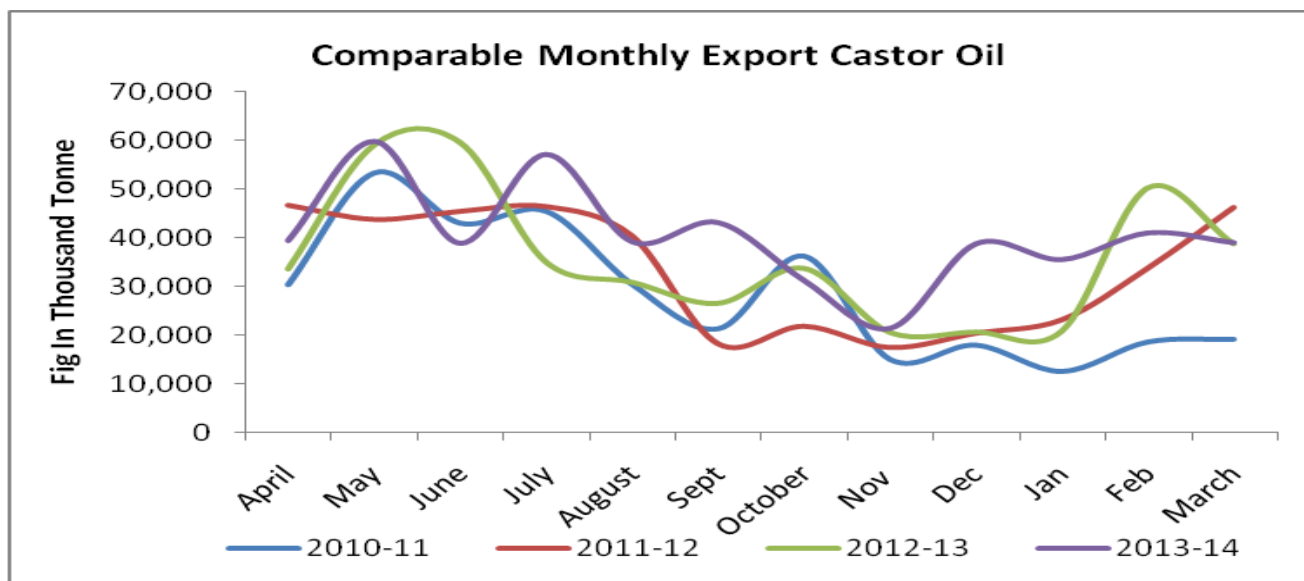
Arrivals in the market increased in Patan and Deesa. Slight increase in Sumerpur and Patan too has been registered during the week. More arrivals are expected to hit the market by mid April.

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; Pressure continues.
- Nearest by support is 4082 while the first resistance is 4172.
- Last candlestick depicts slight weakness.
- Players are advised to sell below 4170 maintaining stop loss strictly at 4185.

Strategy: Sell Below

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor seed	NCDEX	May	4075	4101	4142	4184	4205
Intraday Trade Call			Call	Entry	T1	T2	SL
Castor seed	NCDEX	May	Sell	Below 4170	4140	4100	4185

Castor Seed Weekly Prices on 04.04.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			4-Apr-14	28-Mar-14	
Castor Seed	Rajasthan	Sumerpur	3700	Closed	-
	Gujarat	Rajkot	3885	Closed	-
		Gondal	3930	Closed	-
		Patan	4000	Closed	-
		Deesa	4260	Closed	-
		Mehsana	3925	Closed	-
		Kadi	3950	Closed	-
		Ahmedabad	4000	Closed	-

Castor Price Weekly					
Commodity	Center	Market	Price (Rs/Q)		
			Today	Week Ago	Month Ago
			4-Apr-14	28-Mar-14	4-Mar-14
Castor Seed	Rajasthan	Sumerpur	3700	Closed	3820
	Gujarat	Rajkot	3885	Closed	3750
		Gondal	3930	Closed	3955
		Patan	4000	Closed	4065
		Deesa	4260	Closed	4005
		Mehsana	3925	Closed	4010
		Kadi	3950	Closed	4050
		Ahmedabad	4000	Closed	4025

Castor Seed Weekly Arrivals on 04.04.2014

Commodity	Center	Market	Fig. in Quintal		Change %
			4-Apr-14	28-Mar-14	
Castor Seed	Rajasthan	Sumerpur	2800	3040	-7.89
	Gujarat	Rajkot	3075	1200	156.25
		Gondal	2043	1073	90.40
		Patan	23377	28070	-16.72
		Deesa	11485	14864	-22.73
		Mehsana	1560	1720	-9.30
		Kadi	5440	6280	-13.38
		Other Gujarat	49020	53193	-7.85
	Total Arrival		-	98800	109440

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