

Castor Domestic Fundamentals: -

- **Castor seed market continued to reel under pressure during the week ended 11th April** despite renewed buying spree in major markets. Inner tone remains bearish and further decline is expected in the weeks ahead. Bears dominated futures market and almost Rs 200 decline has been witnessed in last one week. Actually, it seems that major buyers have released their position in futures, so that prices in Physical market could be pressurized.
- **Under bearish inner tone farmers and small stake holders would release more** stock and resultantly price would remain depressed at least in April. Arrivals would continue till June. However, it would decrease considerably by then. Once the stock with farmers gets exhausted, market sentiments would change and price would start moving up.
- **However, in the near term market would remain depressed** as arrivals have increased by 112 percent in last one week. Mehsana has registered the highest increase of 110 percent during the week. The lowest increase (20 %) was registered in Sumerpur.
- **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 14th 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 experts 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 over. 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** in the rest of April and May. Seed price in Sumerpur of Rajasthan may touch Rs 3600 per qtl. Seed prices may be seen in the range of Rs 3600 to Rs 3750 per qtl., depending on sourcing centers and quality of the crop.
- **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.

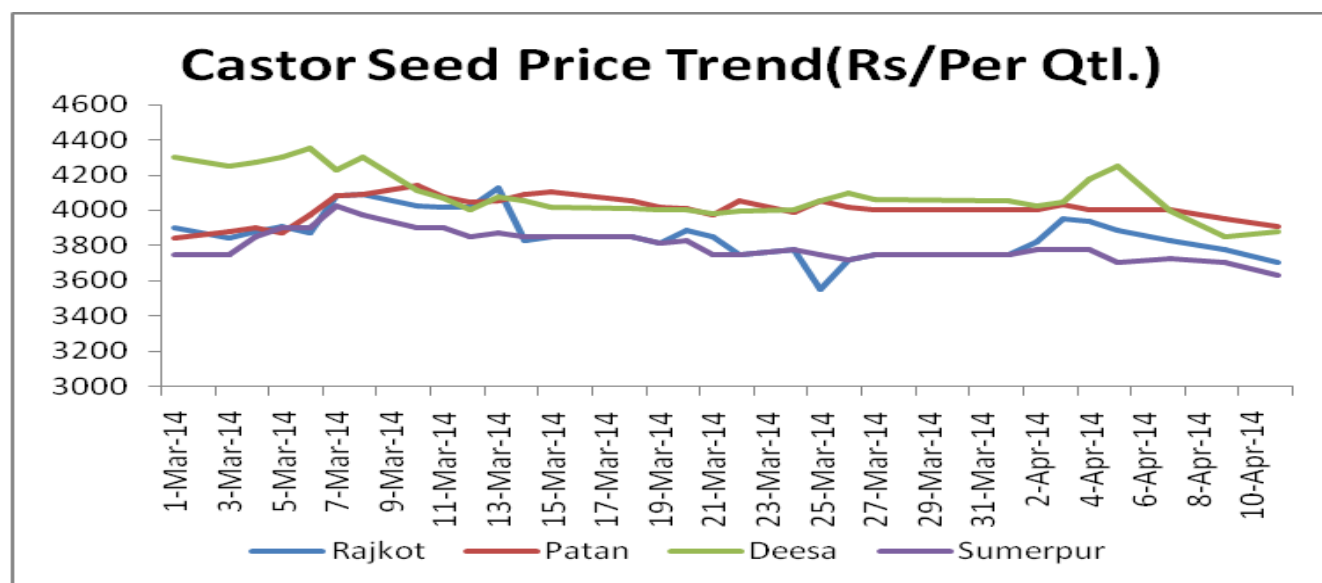
International Market Update:

- **Buyers from China, European Union and US have started enquiry** for fresh deal despite some forward deals already struck in the month of March. Castor oil commercial is ruling at Rs 8200 per qtl. in Mumbai, Vashi market. Castor oil in Rotterdam is being traded at \$1740 per Tonne.
- **New export deals are said to be struck at \$1350 per T on X factory** rate in the first week of April by European Union and quantity in question is 3500 tonne. Major importers for Indian castor oil in the month of March were Belgium, Japan and Korea, brought around 48,000 tonnes.
- Export quotes are unlikely to change from current level as mostly deals have been finalized before March. Quotes for fresh deals in end April and May would decrease slightly as seed prices have declined considerably. Market participants expect oil price to decline from current level to Rs 8000 per Tonne.

Domestic market Outlook:

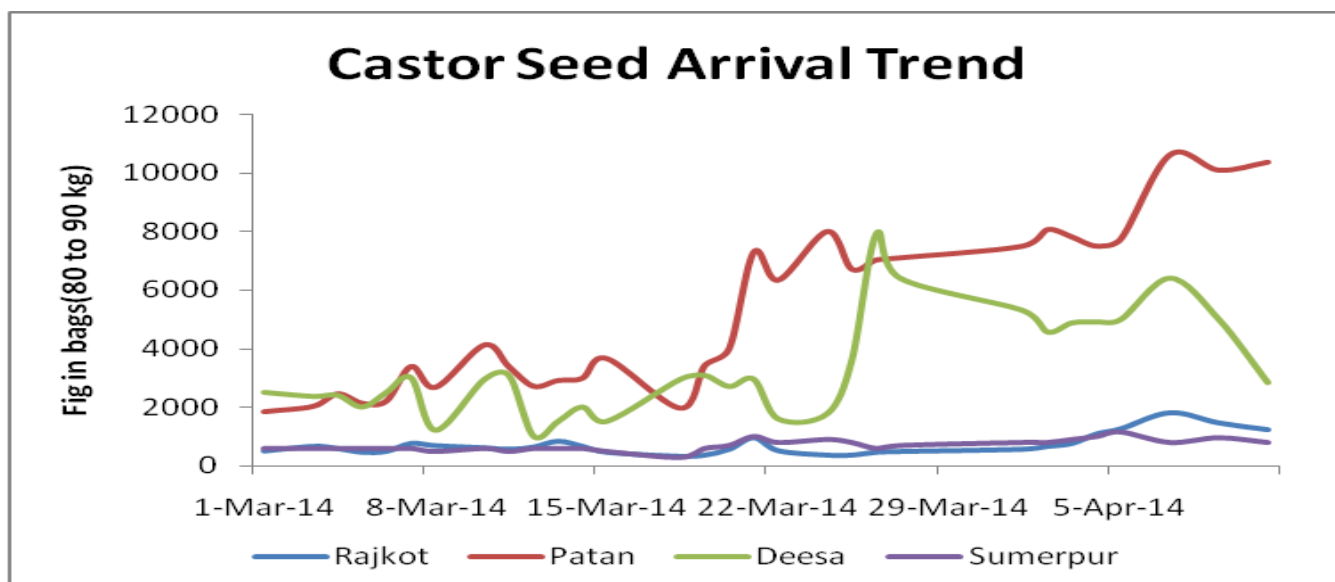
Market is likely to trade weak in the Third week of April.

Castor Seed Price Chart:



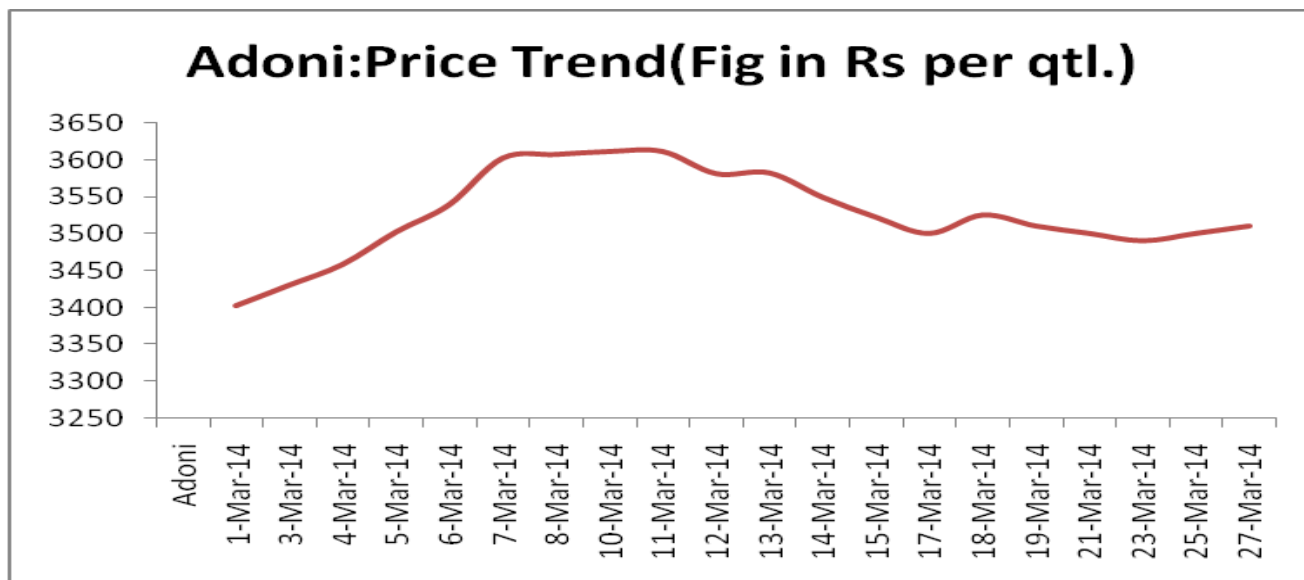
With Bearish inner tone and higher arrivals prices of castor seed declined considerably during the week ended on 11th April. Major buyers are awaiting for stabilization in the market. prices are expected to decrease more in the weeks ahead. Major dip has been seen in Rajkot and Deesa as the above given chart shows. Prices in Rajkot declined by 0.89 percent in last week.

Castor Seed arrival Chart:



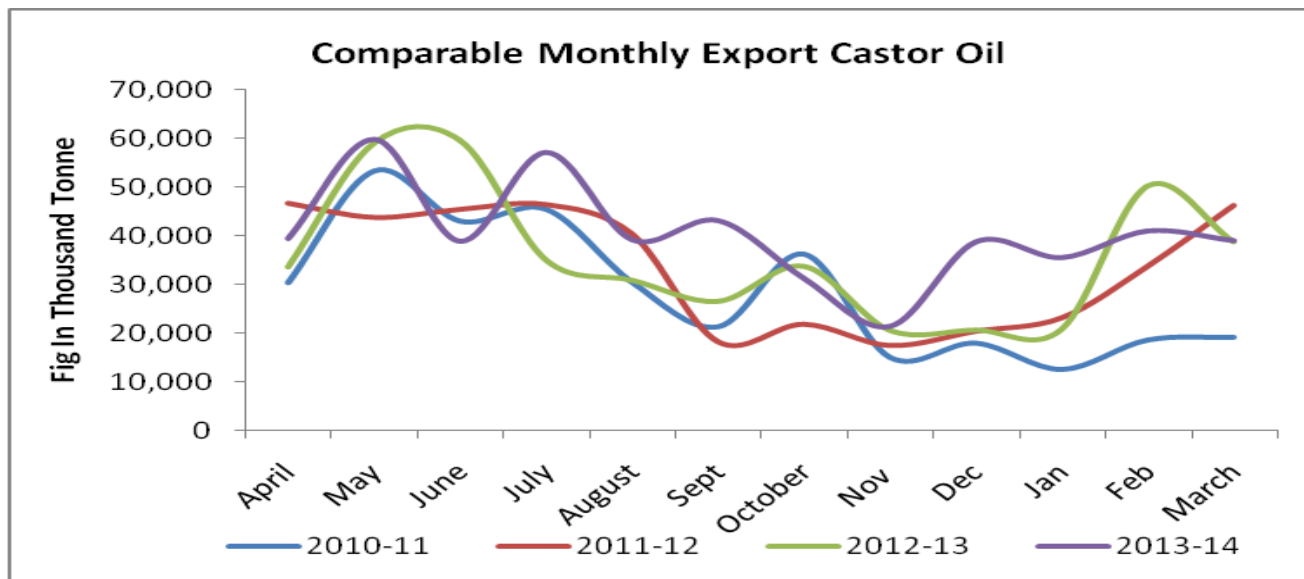
Arrival in Patan mandi has increased considerably while it has declined sharply in Deesa mandi. Arrival pressure would continue to build up till May. However, overall arrivals are 30 percent lower than last year till date.

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 3900 while the first resistance is 4036.
- Last candlestick depicts slight weakness.
- Players are advised to buy above 3939 maintaining stop loss strictly at 3900.

Strategy: Buy Above

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor seed	NCDEX	May	3850	3901	4010	4037	4076
Intraday Trade Call			Call	Entry	T1	T2	SL
Castor seed	NCDEX	May	Buy	above 3939	4000	4036	3900

Castor Seed Weekly Prices on 11.04.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			11-Apr-14	4-Apr-14	
Castor Seed	Rajasthan	Sumerpur	3630	3700	-70
	Gujarat	Rajkot	3705	3885	-180
		Gondal	3505	3930	-425
		Patan	3910	4000	-90
		Deesa	3875	4260	-385
		Mehsana	3850	3925	-75
		Kadi	3855	3950	-95
		Ahmedabad	3850	4000	-150

Castor Price Weekly					
Commodity	Center	Market	Price (Rs/Q)		
			Today	Week Ago	Month Ago
			11-Apr-14	4-Apr-14	11-Mar-14
Castor Seed	Rajasthan	Sumerpur	3630	3700	3900
	Gujarat	Rajkot	3705	3885	4015
		Gondal	3505	3930	4245
		Patan	3910	4000	4075
		Deesa	3875	4260	4070
		Mehsana	3850	3925	4050
		Kadi	3855	3950	NR
		Ahmedabad	3850	4000	4000

Castor Seed Weekly Arrivals on 11.04.2014

Commodity	Center	Market	Fig. in Quintal		Change %
			11-Apr-14	4-Apr-14	
Castor Seed	Rajasthan	Sumerpur	3360	2800	20
	Gujarat	Rajkot	5520	3075	79.51
		Gondal	4035	2043	97.50
		Patan	31157	23377	33.28
		Deesa	14496	11485	26.22
		Mehsana	3280	1560	110.26
		Kadi	8560	5440	57.35
		Other Gujarat	104952	13020	706.08
	Total Arrival		175360	62800	112560

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