

Castor Domestic Fundamentals: -

- **Bearish trend in physical market continues in the third consecutive** weeks despite fluctuation in arrivals. Prices of seed in all major markets have declined up to Rs 100 per qtl. and market participants see more dip from current level. Market is expected to stabilise near Rs 3600 to Rs 3700 per qtl. in Rajasthan while in Gujarat it may trade near Rs 3800 to Rs 3850 per qtl.
- **Demand for oil remains sluggish as buyers see downward trend to continue** at least for next two weeks. As prices in the physical market have declined by Rs 250 per qtl. in last two-three weeks, its impact on oil price is clearly visible. Planters have offered oil at Rs 8100 to Rs 8150 per qtl. in Ahmedabad, lower by Rs 200 per qtl. from previous week.
- **Some affluent farmers in Gujarat, Andhra Pradesh and Rajasthan have started** cornering stocks in anticipation of better price realisation in the second half of the year. It may slow down arrival pressure in the weeks ahead. Short supply of seed might be visible in the second half.
- **Carryout stock around 3.84 lakh tonne has been crushed by the end of March** this year as export of oil has been over 45 thousand per month from Jan up to March. In April, it may exceed 50,000 tonne. This means crushing of seed would continue at the rate of 80 to 90 thousand tonne per month till June. Against this arrival in mandis are around 75 to 80 thousand tonne.
- **Agriwatch estimates 11.56 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 15.4 lakh tonne. Trade estimates production near 11.8 lakh tonne. This means India has lower seed availability than actual demand. India needs 16 to 17 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 see production at around 11 lakh tonne.
- **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.

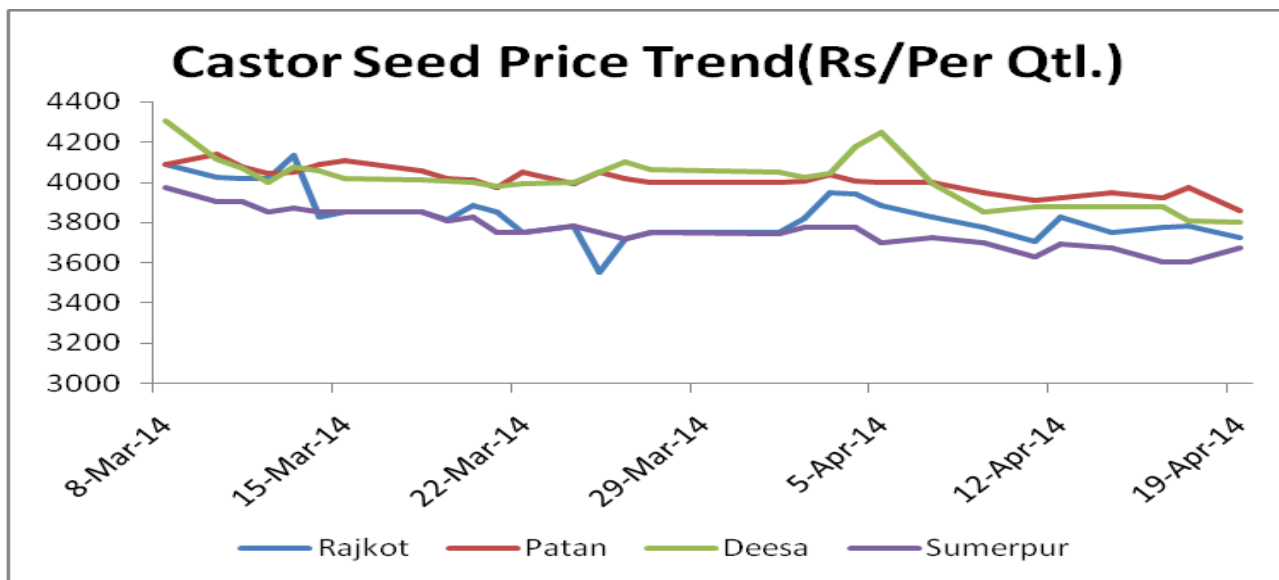
International Market Update:

- **Belgium, Japan and Korea remained the top buyers for Indian castor oil** in the month of March. These countries have brought around 42000 tonnes in the month of March. Average FOB price during the March comes to \$138.30 per qtl. **Japan,**
- **Korea, Malaysia, Taiwan, Italy remain the major** buyers of meal in the month of March. Total 42369 tonne meal has been exported to these countries. Average FOB value realised at the rate of Rs 875 per qtl. during the period.
- **Export quotes are unlikely to change from current level as mostly deals have** been finalized before March. Quotes for fresh deals by 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:

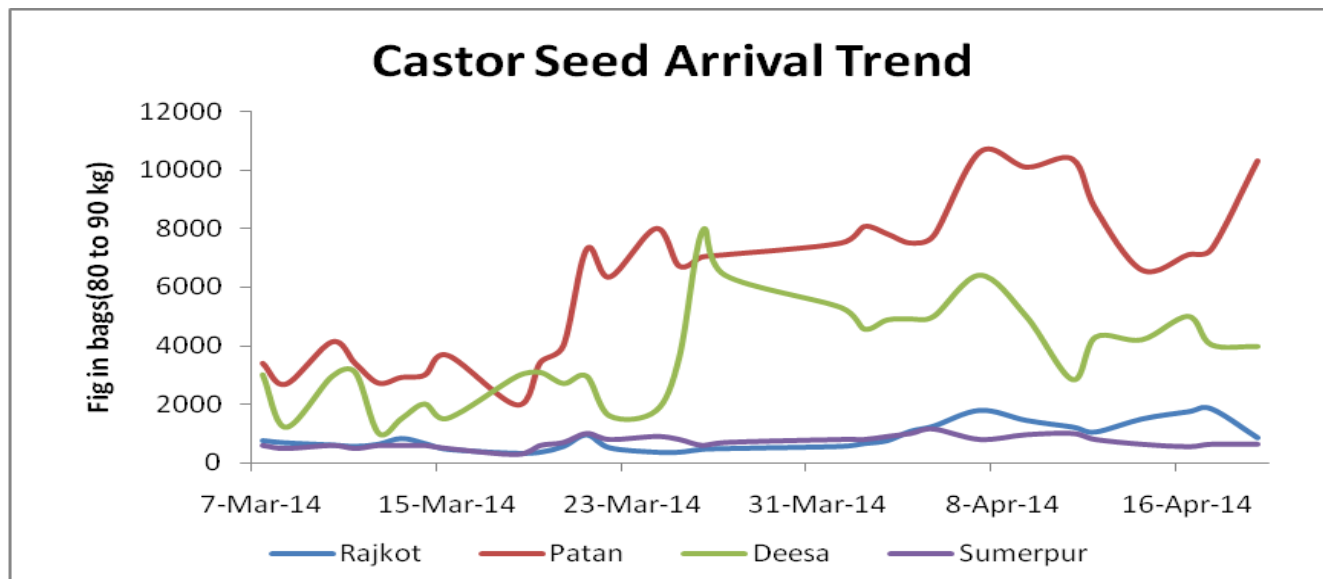
Market is likely to trade weak in the fourth week of April.

Castor Seed Price Chart:



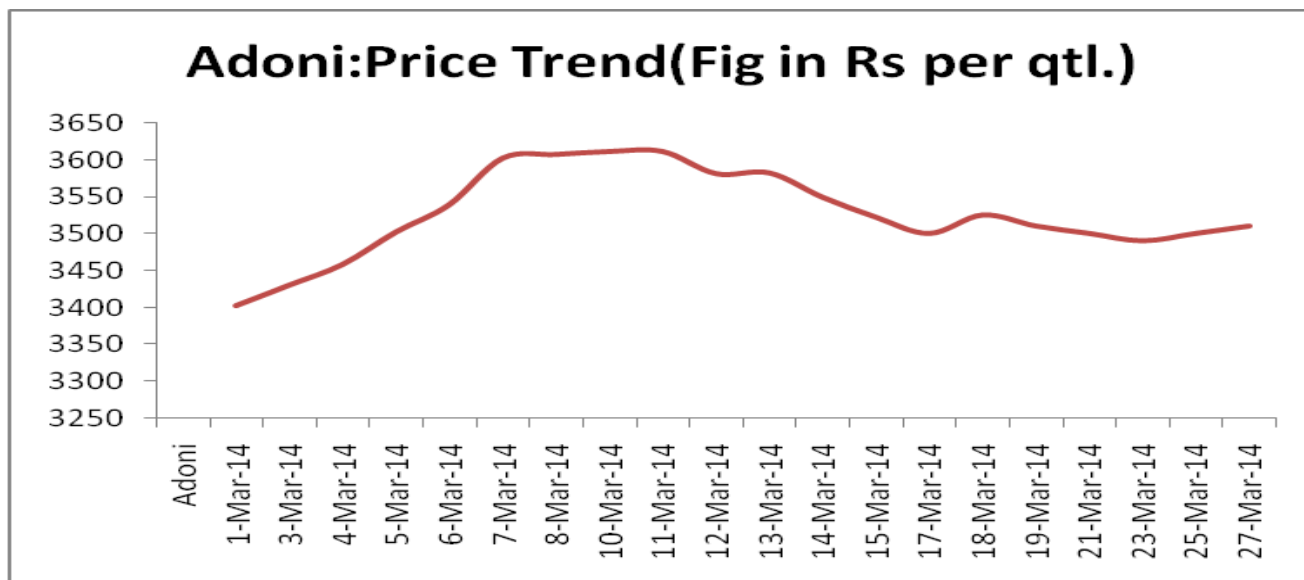
With Bearish inner tone and higher arrivals prices of castor seed declined considerably during the week ended on 19th April. Major buyers are awaiting for stabilization in the market. prices are expected to decrease more in the weeks ahead. Major dip has been seen in Rajkot and Deesa as the above given chart shows.

Castor Seed arrival Chart:



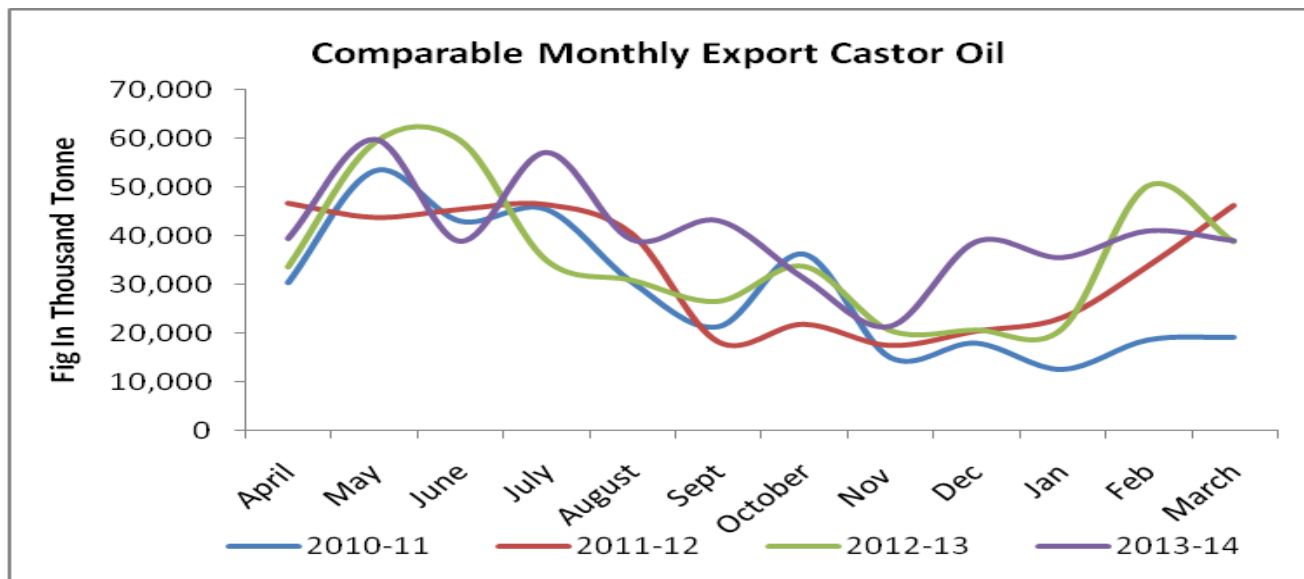
Arrival in Patan mandi has increased considerably while it is stable in Deesa mandi. Arrival pressure would continue to build up till May. However, overall arrivals are 30 percent lower than last year till date.

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 3900 maintaining stop loss strictly at 3850.

Strategy: Buy Above

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor seed	NCDEX	May	3750	3800	3983	4050	4150
Intraday Trade Call			Call	Entry	T1	T2	SL
Castor seed	NCDEX	May	Buy	above 3900	4000	4036	3850

Castor Seed Weekly Prices on 19.04.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			19-Apr-14	11-Apr-14	
Castor Seed	Rajasthan	Sumerpur	3675	3630	45
	Gujarat	Rajkot	3725	3705	20
		Gondal	3730	3505	225
		Patan	3855	3910	-55
		Deesa	3969	3875	94
		Mehsana	3875	3850	25
		Kadi	3810	3855	-45
		Ahmedabad	3900	3850	50

Castor Price Weekly					
Commodity	Center	Market	Price (Rs/Q)		
			Today	Week Ago	Month Ago
			19-Apr-14	11-Apr-14	19-Mar-14
Castor Seed	Rajasthan	Sumerpur	3675	3630	3815
	Gujarat	Rajkot	3725	3705	3850
		Gondal	3730	3505	3930
		Patan	3855	3910	4015
		Deesa	3969	3875	4015
		Mehsana	3875	3850	4000
		Kadi	3810	3855	4550
		Ahmedabad	3900	3850	3925

Castor Seed Weekly Arrivals on 19.04.2014

Commodity	Center	Market	Fig. in Quintal		Change %
			19-Apr-14	11-Apr-14	
Castor Seed	Rajasthan	Sumerpur	3680	3360	320
	Gujarat	Rajkot	7000	5520	1480
		Gondal	8030	4035	3995
		Patan	39939	31157	8782
		Deesa	13830	14496	-666
		Mehsana	2440	3280	-840
		Kadi	12460	8560	3900
		Other Gujarat	183501	104952	78549
	Total Arrival		270880	175360	175360

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