

Castor Domestic Fundamentals: -

- **Castor seed markets trade firm during the week ended 26th April due to** good demand for oil and meal in national and international market. Arrivals of seed have not improved as per expectation of the market participants. Price of seed in Sumerpur mandi improved from Rs 3600 to Rs 3725 per qtl. during the week under review. Average price of this mandi too has improved from Rs 3631 to Rs 3656 per qtl. As demand from millers/planters is good, seed prices are likely to trade higher in the weeks ahead.
- **Even markets like Deesa, Mehsana and Rajkot prices have improved** considerably during the week and market participants expect firmness to continue in the first week of May too. Prices in Rajkot improved by Rs 90 per qtl. to Rs 3840 per qtl. Buyers in Deesa mandi offered Rs 3875 per qtl, almost Rs 105 per qtl higher than previous week. In other mandis like Patan and Mehsana prices have improved in the range of Rs 50 to Rs 60 per qtl.
- **There is a talk in the market that 75 to 80 percent seed is being crushed** out of total arrivals and 20 to 25 percent is being cornered by stockists. Farmers too have retained 10 to 20 percent more crop from last year in expectation of higher return in the second half of the year. These developments have led to firmness in the market.
- **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. It may decrease in May when we compare the arrival trend.
- **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 sees 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.

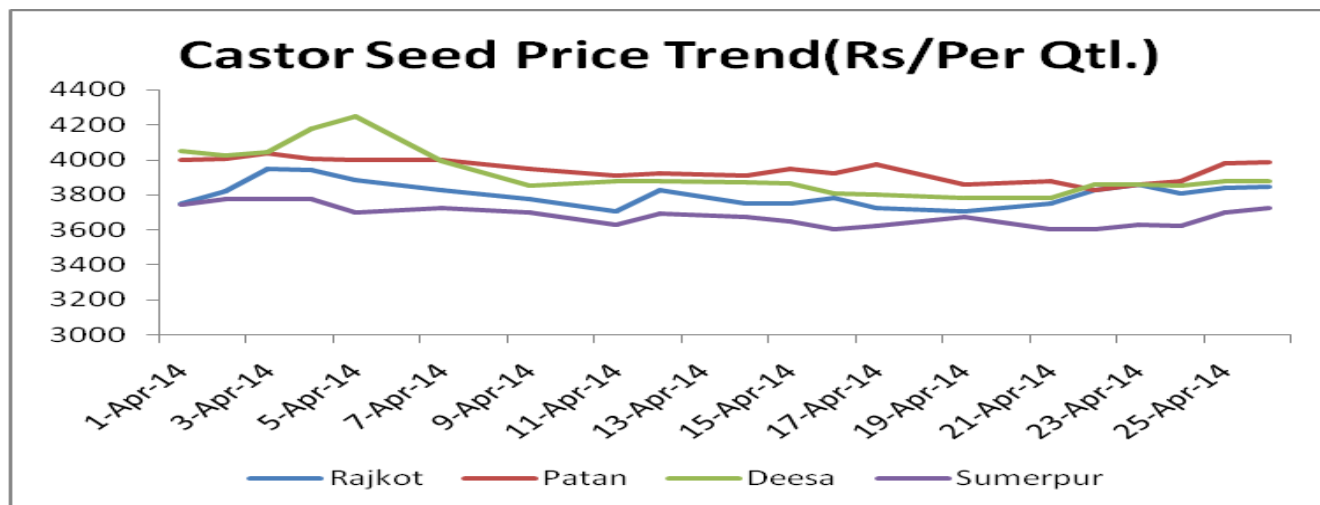
International Market Update:

- **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. Going by the current pace of export oil export volume may exceed 50,000 T in April. Average price in Rotterdam ranges \$1725 per T in the month of April. It was offered at \$1706 per T in Rotterdam on 26th April, 2014.
- **Buyers from European union are active in the market. Indian FOB (from Kandla)** \$1334 to \$1340 per tonne for commercial grade. Fob quotes are unlikely to decrease due to good demand from overseas markets.
- Buyers have started rethinking on buying strategy at this point of time as prices have started firming and fresh deal would support market further. Buyers from China too would remain active and more deals might be struck in May.

Domestic market Outlook:

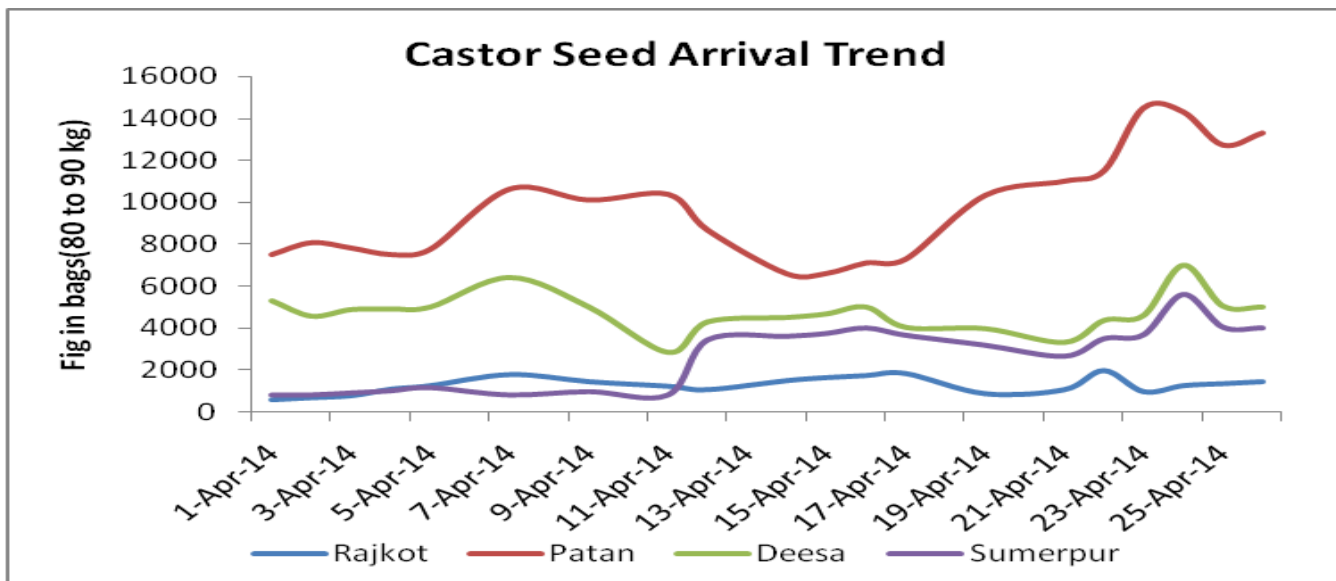
Market is likely to trade firm in the first week of May.

Castor Seed Price Chart:



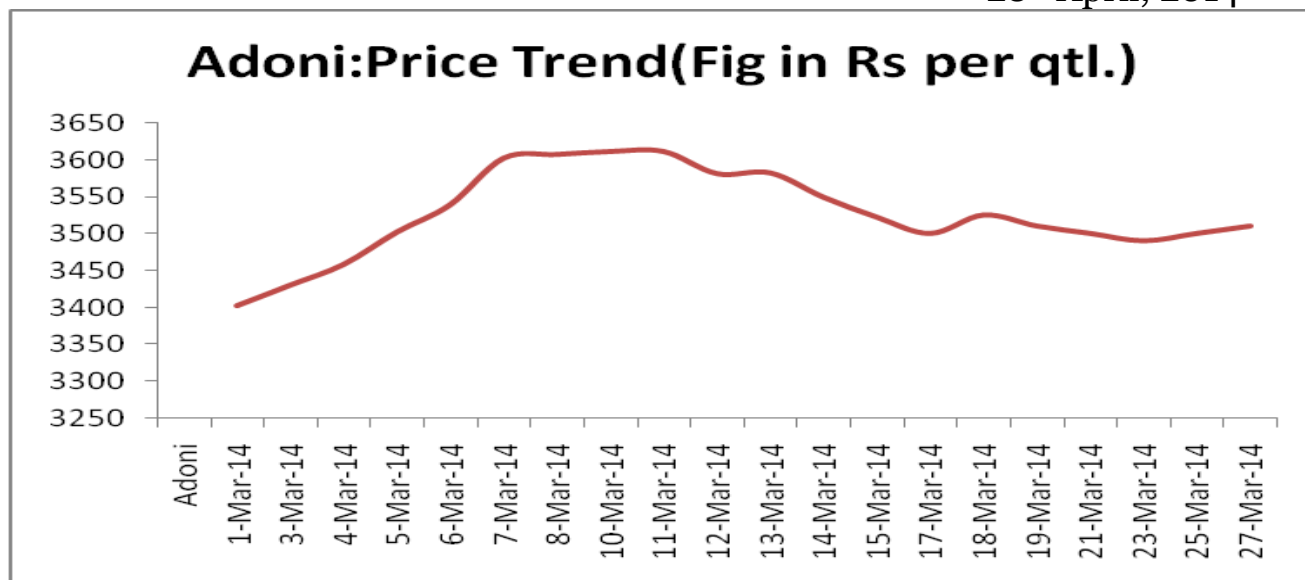
Castor seed market firms up during the week under review on improved buying support from oil and oil meal buyers. During the week prices of seed improved in the range of Rs 55 to Rs 105 per qtl. and the trend is likely to continue as arrivals are below expectation so far in the month. Market participants expect a hike of Rs 100 from current level in next two weeks.

Castor Seed arrival Chart:



Above given chart clearly shows decreasing arrivals in all major mandis except Rajkot. Lower arrivals have lent support to price in cash market. Higher demand for seed from planters is likely to continue as oil/meal demand has improved considerably in last 15 days.

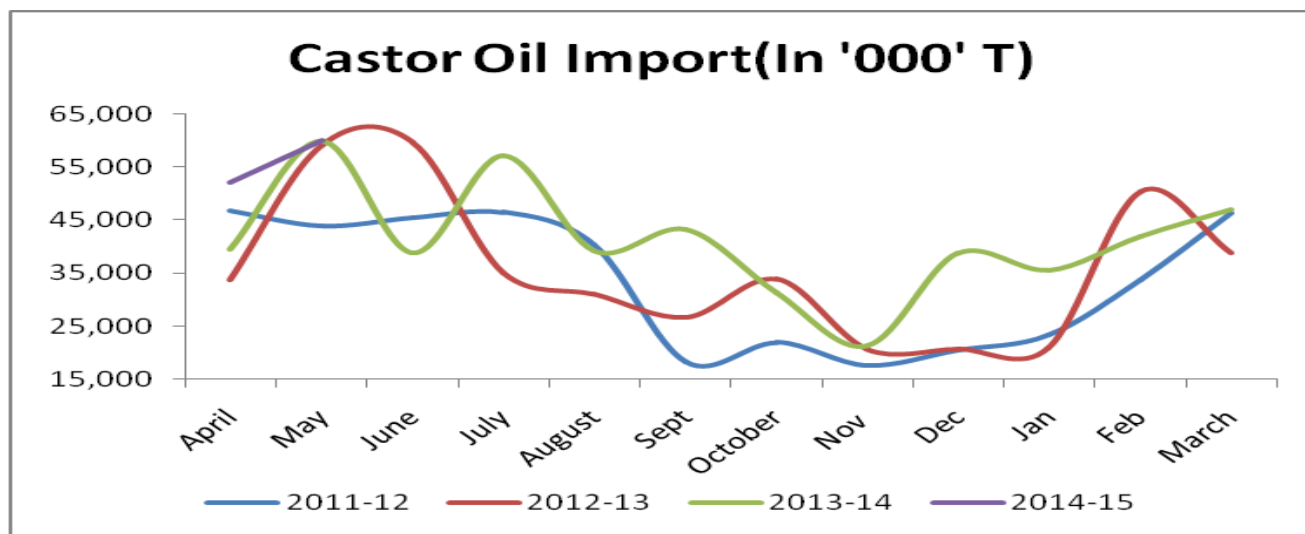
Adoni Market (Andhra Pradesh):



There is no update from Adoni market.

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.

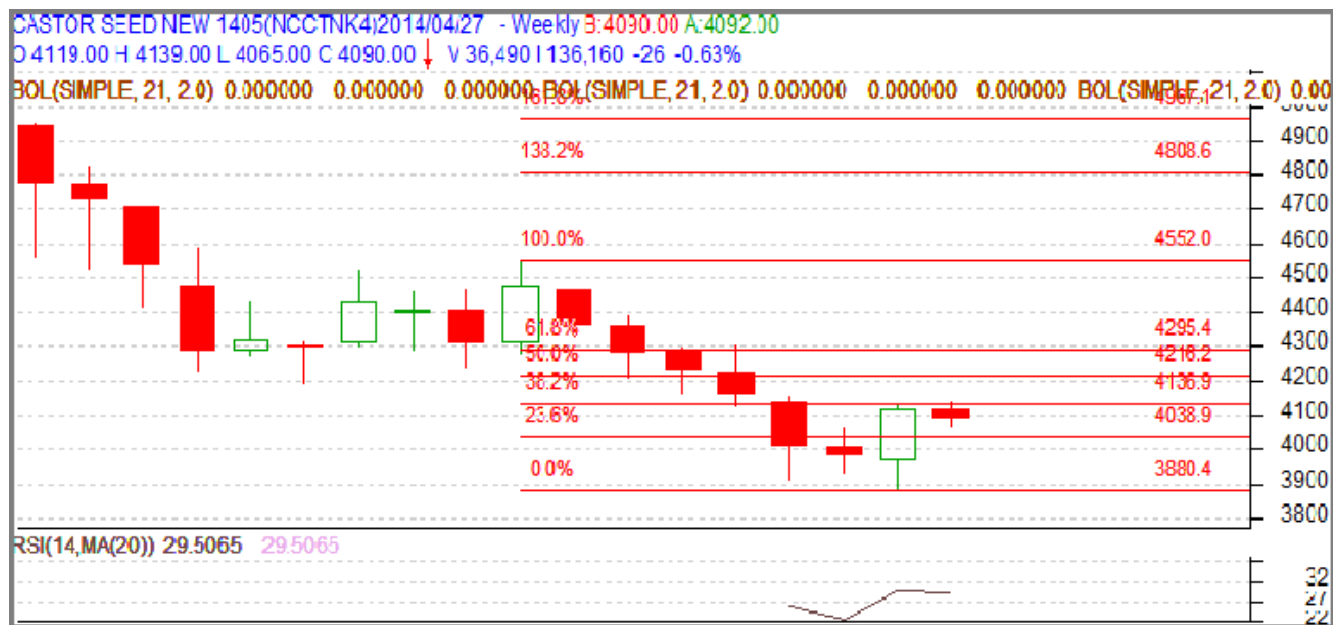
Castor Oil Export Trend:



Note: April/May export figures are an estimate based on market feedback.

Castor oil export has followed seasonality as usual. As Dec-Jan are considered lean season and prices are higher, Export volumes come down generally in these months. However it starts increasing from Feb. as arrival pressure starts building up and continues to increase up to mid June as supply from new crop remains ample with price under control. Agriwatch expects 52,000 T oil export in April while in May it may touch 60,000 T as per current demand from national and international market.

Technical Analysis:



Technical Commentary:

- Castor prices are still hovering in downtrend; Pressure continues.
- Nearest by support is 4052 while the first resistance is 4139.
- Last candlestick depicts slight weakness.
- Players are advised to sell below 4138 maintaining stop loss strictly at 4168.

Strategy: Sell

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor seed	NCDEX	May	3995	4049	4090	4169	4200
Intraday Trade Call			Call	Entry	T1	T2	SL
Castor seed	NCDEX	May	Sell	below 4138	4050	4000	4168

Castor Seed Weekly Prices on 28.04.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			26-Apr-14	19-Apr-14	
Castor Seed	Rajasthan	Sumerpur	3725	3600	125
	Gujarat	Rajkot	3840	2780	1060
		Gondal	3830	3830	Unch
		Patan	3880	3975	-95
		Deesa	3875	3810	65
		Mehsana	3825	3875	-50
		Kadi	3965	3900	65
		Ahmedabad	3950	3900	50

Castor Price Weekly					
Commodity	Center	Market	Price (Rs/Q)		
			Today	Week Ago	Month Ago
			26-Apr-14	17-Apr-14	26-Mar-14
Castor Seed	Rajasthan	Sumerpur	3725	3600	3720
	Gujarat	Rajkot	3840	2780	3885
		Gondal	3830	3830	3905
		Patan	3880	3975	4000
		Deesa	3875	3810	4050
		Mehsana	3825	3875	3940
		Kadi	3965	3900	3970
		Ahmedabad	3950	3900	3950

Castor Seed Weekly Arrivals on 19.04.2014

Commodity	Center	Market	Fig. in Quintal		Change %
			19 th Apr- 26 th Apr-14	12 th Apr- 17 th Apr-14	
Castor Seed	Rajasthan	Sumerpur	5600	3040	84.21
	Gujarat	Rajkot	8900	6150	44.72
		Gondal	9857	6854	43.81
		Patan	74345	29619	151.00
		Deesa	26631	10655	149.94
		Mehsana	5920	1720	244.19
		Kadi	17709	8232	115.12

	Other Gujarat	206238	147970	39.38
	Total Arrival	270880	355200	214240

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