

**Castor Domestic Fundamentals: -**

- **Weak inner tone continued in the cash market due to improved arrivals,** lacklustre trading activities due to two holidays and phased elections in many states. Fresh trading activities might be seen after the formation of new govt. We expect market to dip Rs 50 more in the current week despite lower than expected arrivals.
- **Average price in Sumerpur market stayed steady to Rs 3700** per qtl. while it declined by Rs 35 per qtl. in Rajkot to Rs 3790 per qtl. Average price of seed in Mehsana mandi improved from RS 3819 to Rs 3825 per qtl. Castor seed in other mandis traded almost unchanged during the week under review.
- **As per IBIS data castor oil export reached at 437.35 thousand tonne** in the month of April against 357.73 thousand tonne in March. Average FoB from Mundra Port registered at \$1365 per tonne against \$1357 per tonne in March. Average Fob price is bound to increase in the month of May and may touch \$1372 to \$1375 per tonne.
- **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 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.

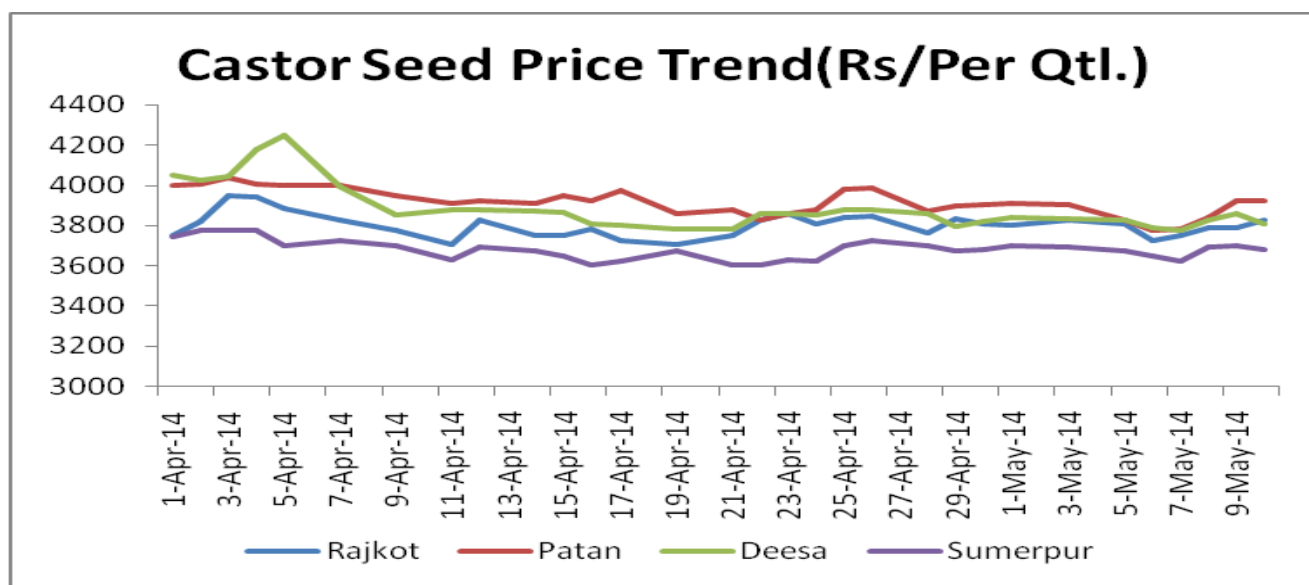
**International Market Update:**

- **China, EU and USA remained the active buyers among others in the month** of May. Total export in May registered at 13000 tonne as on 10th May, higher by 4 percent from corresponding month (April). In May it may increase considerably given the ongoing business deal.
- **Quote in Rotterdam for castor oil remained almost unchanged at \$1706** per metric tonne. However, it has decreased by \$38 per tonne in last four weeks. More downward move is unlikely at this point of time as demand in the global market remains supportive to the market fundamentals.
- **Indian FOB quote in the beginning of May based on Mundra Port registered** at \$1372 per tonne. Fresh buying at this level has been reported. However, quantity in question is not more than 5000 tonne.

**Domestic market Outlook:**

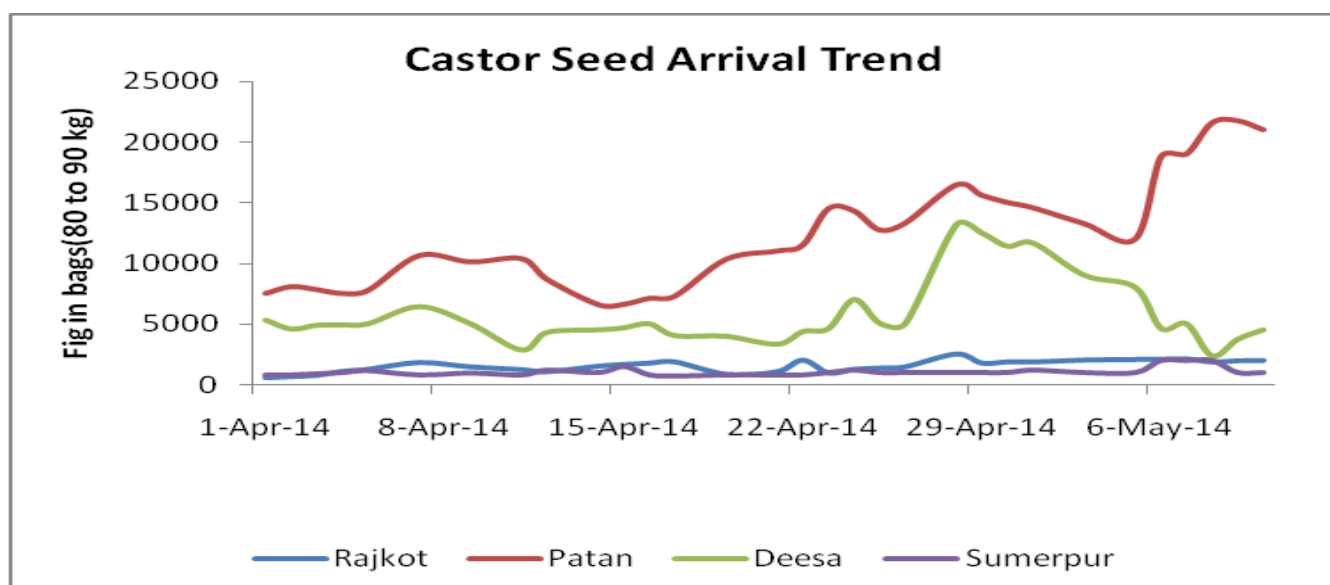
**Market is likely to trade steady to slightly firm in the Third week of May.**

## Castor Seed Price Chart:



Cash market traded steady to slightly lower during the second week of May due to improved arrivals and slower trading activities during the week under review. Market participants expect that market should stabilize on current level, fresh buying interest is expected from the last week of May when new govt comes in power. Due to phased manner election and holidays trading activities remains sluggish.

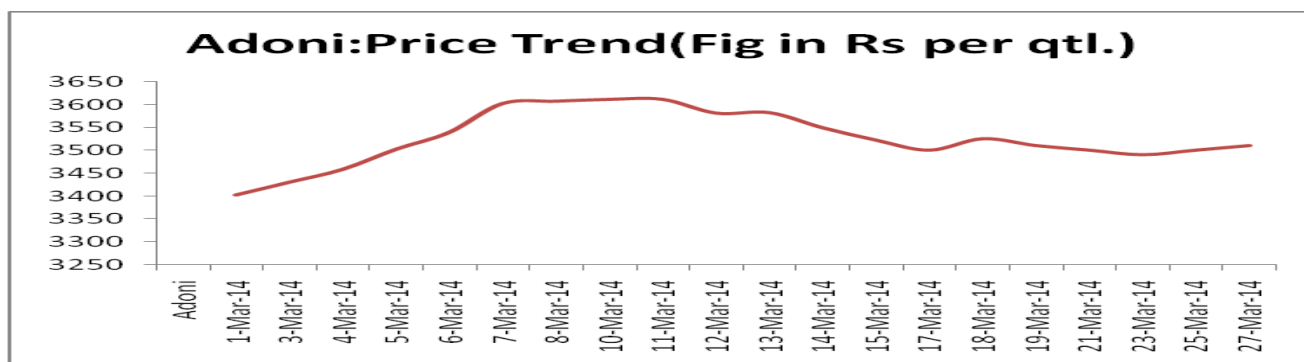
## Castor Seed arrival Chart:



Castor seed arrivals have decreased considerably except Patan in the week under review and market expects arrivals to improve slightly by the third week of May. However, higher expectation of arrivals

would not impact prices as good demand would help market to support in the weeks ahead. Buyers would start fresh buying and it would lend support to the market. There is a buzz in the market that planters may face short supply of seed in June .

## Adoni Market (Andhra Pradesh):

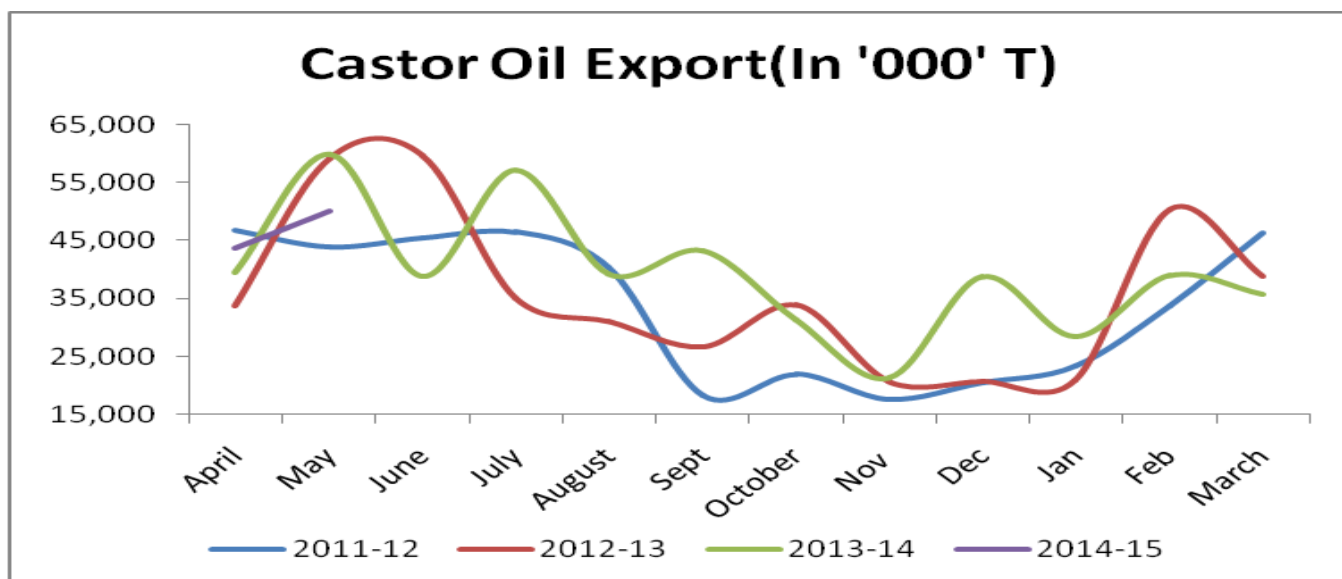


Prices in Adoni market have improved slightly getting support from other cash market. Market is expected to trade steady in the weeks ahead. Arrivals in Adoni too have decreased slightly. However it is higher than previous week.

## Cash Market Price Outlook:

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	3700	3850
Medium Term (30 days)	3850	3950

## Castor Oil Export Trend:



China, EU and USA remained the active buyers among others in the month of May. Total export in May registered at 13000 tonne as on 10th May, higher by 4 percent from corresponding month (April). In May it may increase considerably given the ongoing business deal. Quote in Rotterdam for castor oil remained almost unchanged at \$1706 per metric tonne.

Comparative Prices Of Castor Products Including Seed

	9TH May'14	2ND May'14	9TH Apr'14	9TH May'13	Change % from last year
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	39,800	NQ	40,000	33,635	18.3
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	98	NQ	97	90	8.9
<b>EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla</b>	5750	NQ	5750	4800	19.8
Castor Oil (First Grade) FOB Kandla (Export)	1390	NQ	1390	1320	5.3
<b>Local rates in domestic market(Rs./M.T.) for comm.</b>	82,500	82,500	80,00	71,135	16.0

### Technical Analysis:



## Technical Commentary:

- Candle stick pattern shows weakness to continue in the market.
- Nearest by support is 4023 while the first resistance is 4103.
- RSI is hovering in neutral zone.
- Players are advised to Sell below 4102 maintaining stop loss strictly at 4136.

## Strategy: Sell On Rise

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor seed	NCDEX	June	4001	4024	4075	4103	4152
Intraday Trade Call			Call	Entry	T1	T2	SL
Castor seed	NCDEX	June	Sell	around 4102	4047	4023	4136

## Castor Seed Weekly Prices on 12.05.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			9-May-14	2-May-14	
Castor Seed	Rajasthan	Sumerpur	3700	3700	Unch
	Gujarat	Rajkot	3790	3825	-35
		Gondal	NR	3830	-
		Patan	NR	Closed	-
		Deesa	3860	Closed	-
		Mehsana	3825	Closed	-
		Kadi	3825	Closed	-
		Ahmedabad	3900	3900	Unch

Castor Price Weekly					
Commodity	Center	Market	Price (Rs/Q)		
			Today	Week Ago	Month Ago
			9-May-14	2-May-14	9-Apr-14
Castor Seed	Rajasthan	Sumerpur	3700	3700	3700
	Gujarat	Rajkot	3790	3825	3775
		Gondal	NR	3830	3780
		Patan	NR	Closed	NR
		Deesa	3860	Closed	3850
		Mehsana	3825	Closed	3850

		Kadi	3825	Closed	3865
		Ahmedabad	3900	3900	3850

### Castor Seed Weekly Arrivals Scenario on 12.05.2014

Commodity	Center	Market	Fig. in Quintal		Change %
			9-May-14	2-May-14	
Castor Seed	Rajasthan	Sumerpur	7200	4960	45.16
	Gujarat	Rajkot	12015	9475	26.81
		Gondal	7521	5591	34.52
		Patan	65602	46610	40.75
		Deesa	18947	14693	28.95
		Mehsana	7760	2880	169.44
		Kadi	15125	15193	-0.45
		Other Gujarat	170630	151158	12.88
	Total Arrival		304800	250560	21.65

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