

Castor Domestic Fundamentals: -

- **Castor seed market traded mixed amid sluggish trading** activities at the weekend. Sellers are unwilling to offload stock at this price. However, there is a buzz in the market that market might decrease by Rs 50 per qtl. and would stabilize thereafter for a week or two. Castor oil price is almost steady in Ahmedabad at Rs 8200 per qtl.
- **FoB quotes for commercial grade is hovering around \$1355/60** per Tonne from western port. In Maharashtra it is being traded at Rs 8150 per qtl. Lower demand for oil remains un-supportive to the current market fundamentals. For export meal is offered at Rs 520/530 per qtl. in Ahmedabad.
- **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. In the month of May (up to 15th May) total export reached at 19,200 tonne as per market source. Final authentic figure for first fortnight is awaited.
- **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 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.
- **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.

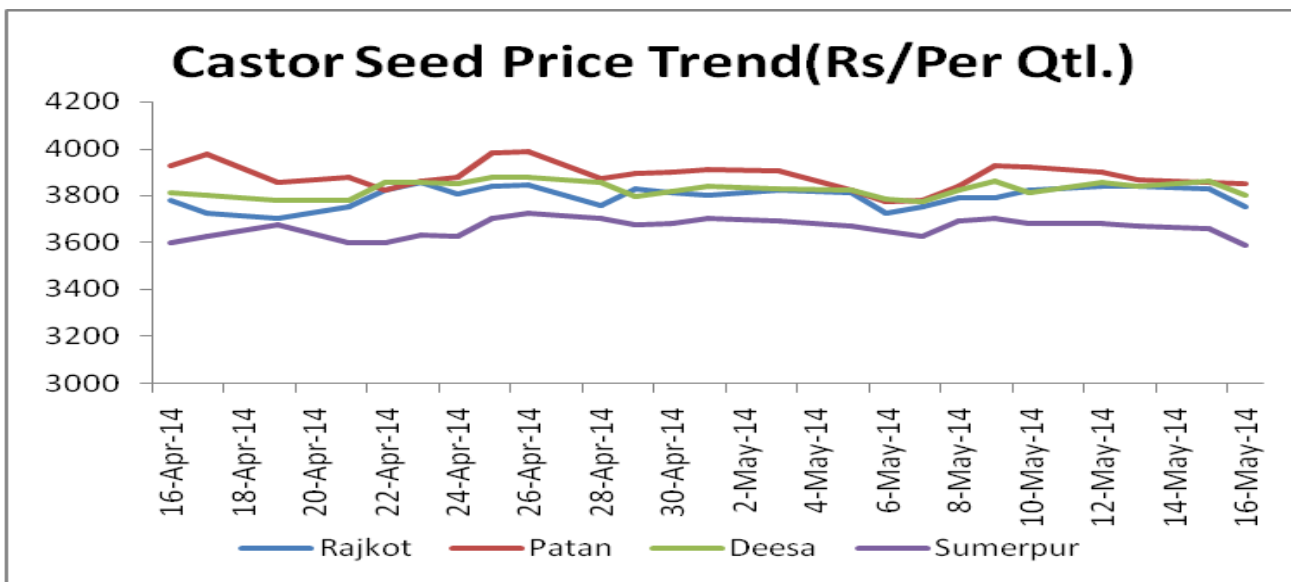
International Market Update:

- **Chinese buyers have started enquiry for fresh deal once again. Castor oil commercial** is ruling at Rs 8200 per qtl. in Mumbai, Vashi market. Belgium too is active buyers. Domestic demand for oil has not been upto the mark and planters expect fresh demand from mid May. Price of castor oil in Rotterdam too have declined from \$1725 to \$1625 per metric tonne during last one and a half month.
- **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:

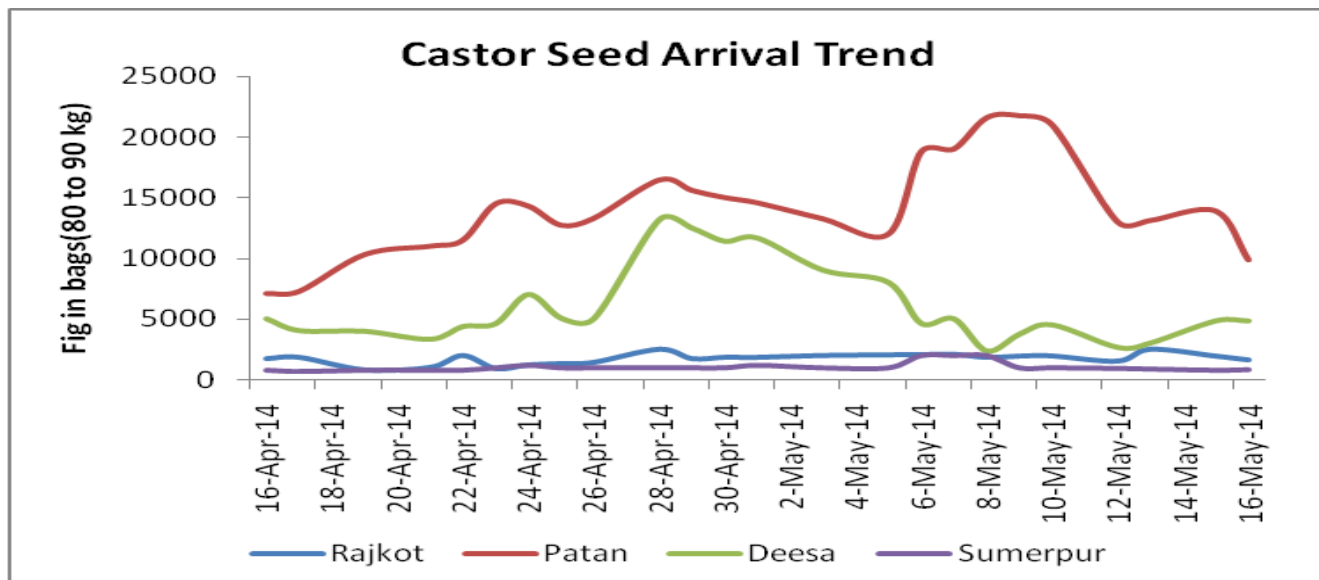
Market is likely to trade steady to slightly firm in the fourth week of May.

Castor Seed Price Chart:



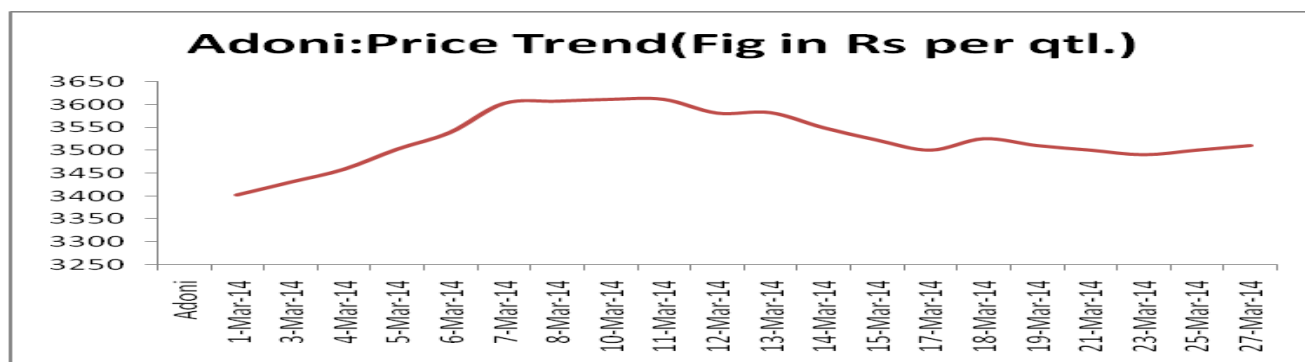
Cash market traded slightly lower during the third week of May due to improved arrivals and slower trading activities ahead of election result. Market participants expect that market should stabilize on current level, fresh buying interest is expected from the last week of May when new govt comes in power. Sellers are unwilling to offload stock at this level. This may push cash market price up once again in the weeks ahead.

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, expectation of higher 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):

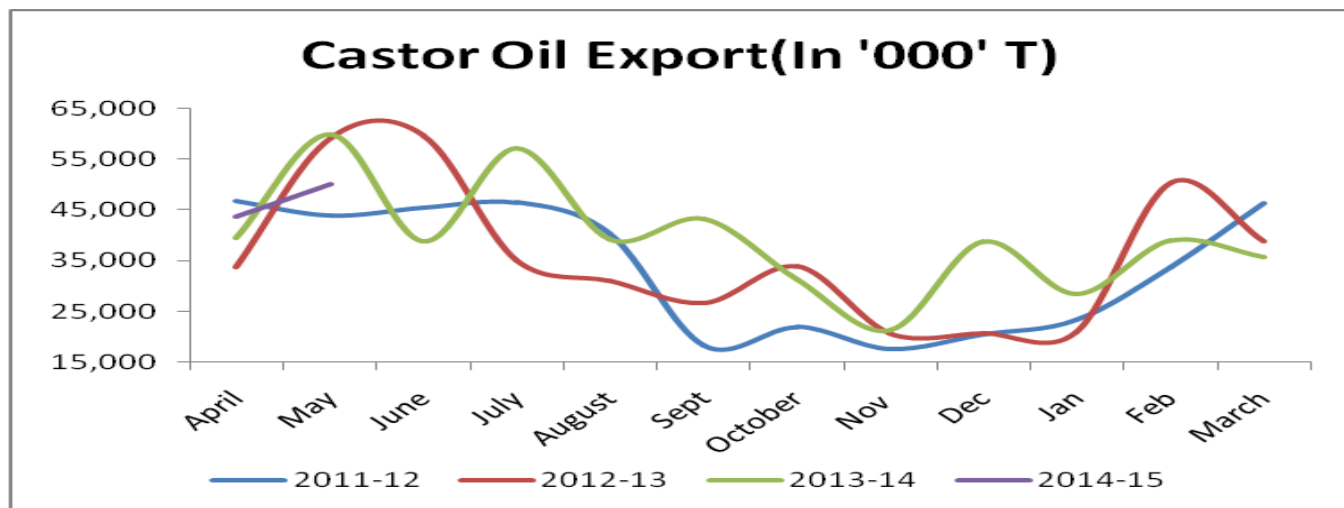


Prices in Adoni market have improved slightly getting support from other cash market. Market is expected to trade steady in the weeks ahead. Arrivals in Adoni too have decreased slightly. However it is higher than previous week.

Cash Market Price Outlook:

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	3750	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
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	5750	NQ	5750	4800	19.8
Castor Oil (First Grade) FOB Kandla (Export)	1390	NQ	1390	1320	5.3
Local rates in domestic market(Rs./M.T.) for comm.	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 3900 while the first resistance is 4001.
- RSI is hovering in neutral zone.
- Players are advised to buy above 3902 maintaining stop loss strictly at 3974.

Strategy: Buy on dip							
Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor seed	NCDEX	June	3881	3914	3929	3995	4046
Intraday Trade Call			Call	Entry	T1	T2	SL
Castor seed	NCDEX	June	Buy	Above 3902	3950	3965	3974

Castor Seed Weekly Prices on 16.05.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			16-May-14	9-May-14	
Castor Seed	Rajasthan	Sumerpur	3590	3700	-110
		Jodhpur	3600	3700	-100
	Gujarat	Rajkot	3750	3790	-40
		Gondal	NR	NR	-
		Patan	3850	NR	-
		Deesa	3800	3860	-60
		Mehsana	3800	3825	-25
		Kadi	3750	3825	-75
		Ahmedabad	3900	3900	Unch

Castor Price Weekly						
Commodity	Center	Market	Price (Rs/Q)			
			Today	Week Ago	Month Ago	6 Month Ago
			16-May-14	9-May-14	16-Apr-14	16-Dec-13
Castor Seed	Rajasthan	Sumerpur	3590	3700	3600	4250
		Jodhpur	3600	3700	NR	NR
	Gujarat	Rajkot	3750	3790	3775	4125
		Gondal	NR	NR	3780	NR
		Patan	3850	NR	3925	4410
		Deesa	3800	3860	3875	4475
		Mehsana	3800	3825	3875	NR
		Kadi	3750	3825	3875	NR
		Ahmedabad	3900	3900	3900	NR

Castor Seed Weekly Arrivals Scenario on 16.05.2014

Commodity	Center	Market	Fig. in Quintal		Change %
			16-May-14	9-May-14	
Castor Seed	Rajasthan	Sumerpur	4160	7200	-42.22
		Jodhpur	1040	960	8.33
	Gujarat	Rajkot	7665	12015	-36.20
		Gondal	7420	7521	-1.34
		Patan	70883	65602	8.05
		Deesa	13318	18947	-29.71
		Mehsana	5840	7760	-24.74
		Kadi	8368	15125	-44.67
		Other Gujarat	174506	170630	2.27
	Total Arrival		289040	298560	-3.19

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