

Castor Domestic Fundamentals: -

- **Castor seed markets traded sideways during the week** under review. However, prices in the cash market remained under pressure from mid May as weak inner tone remained unsupportive to the market. Buyers waited for clear direction and only limited buying was seen in cash markets. Sellers too have limited release of seed at current level. So market continued to move sideways.
- **FoB quotes for commercial grade is hovering around \$1340-1345** per Tonne from Western Port. Demand from global market too remained at low ebb. In Maharashtra it is being traded at Rs 8000 per qtl. Market participants say that fresh demand is expected from mid June and it may support market in the near and medium term. For export meal is offered at Rs 515/525 per qtl. in Ahmedabad.
- **As per IBIS data castor oil export reached at 422.45 thousand tonne** in the month of May against 411.35 thousand tonne in April. Average FoB from Mundra Port registered at \$1350/55 per tonne against \$1358 per tonne in April. Average Fob price is bound to increase in the month of June and may touch \$1370 to \$1375 per tonne.. Final authentic figure for May is awaited.
- **The season (Jan) started with 3.84 lakh tonne seed with 15.4 lakh tonne** total availability in January. Out of 15.4 lakh tonne 5.10 lakh tonne seed has been crushed so far. This means we have now around 10 lakh tonne seed available for crushing. If we consider stock in private hands (almost 3 lakh tonne) supply crunch may be felt June onward as major stockists would not release stock before Nov-Dec.
- **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 third adv. Estimate of foodgrains** for 2013-14 on 15, May, 2014. The govt. has estimated 16.64 lakh tonne production this year against the target of 15.81 lakh tonne. Market participants are surprised to see the inflated figure of castor seed production this year. Govt.. Market experts see production at around 11.5 to 11.8 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.

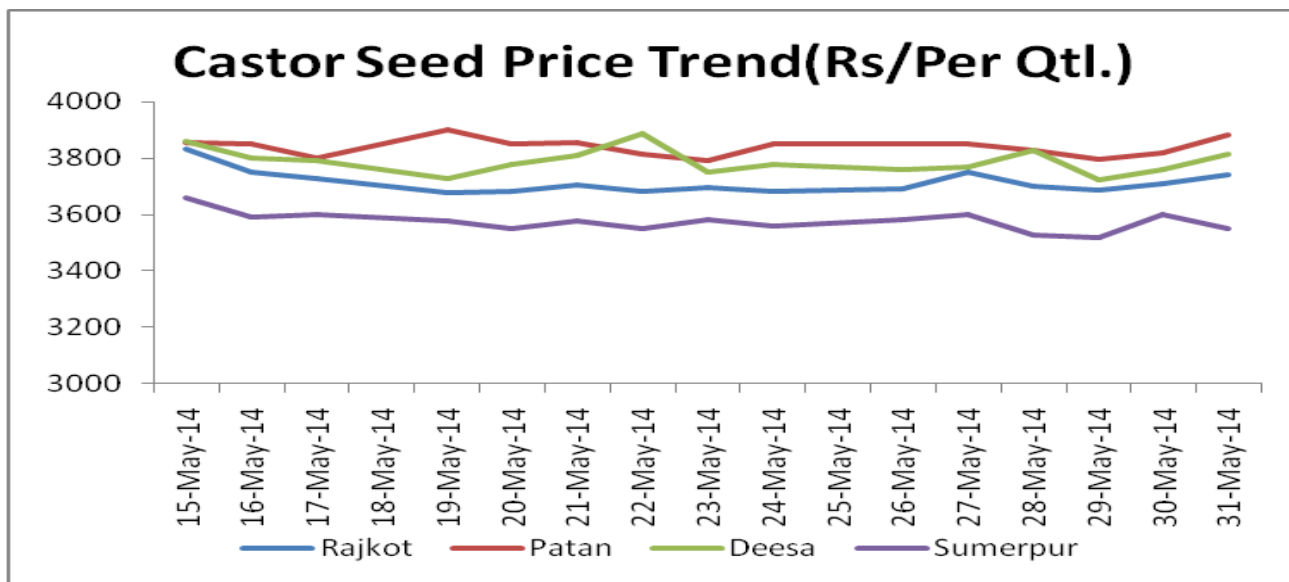
International Market Update:

- **Buyers from outside the country may enter into the** markets from June end once again as by then they would be consumed the previous stock. Castor oil commercial is ruling at Rs 8000 per qtl. in Mumbai, Vashi market. Domestic demand for oil has not been upto the mark and planters expect fresh demand from mid June.
- **Price of castor oil in Rotterdam too have declined from \$1725 to \$1605/1610** per metric tonne during last one month. 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 \$1345/50 per tonne. Fresh buying in limited quantity at this level has been reported.

Domestic market Outlook:

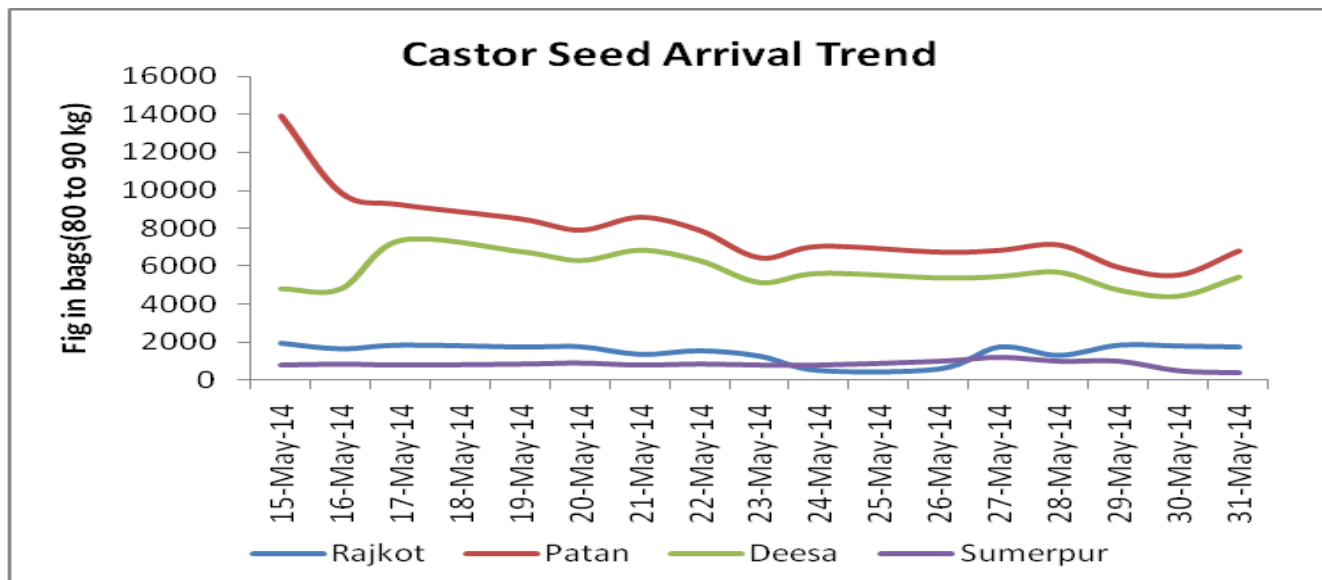
Market is likely to trade steady to slightly firm in the second week of June.

Castor Seed Price Chart:



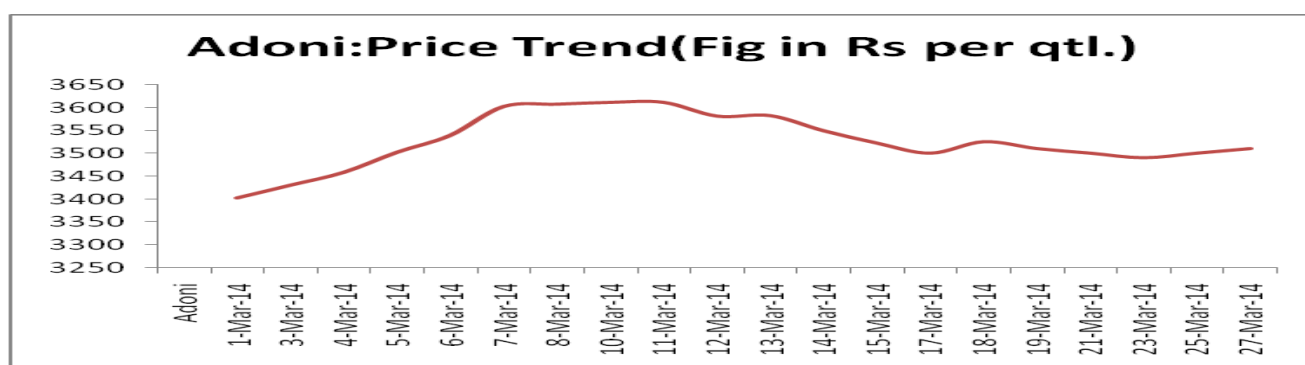
Cash market traded slightly higher during the fourth week of May due to restricted arrivals, slightly higher quotes from buyers. However, sellers remained sidelined to release stock at lower prices. Market participants expect that more dip is unlikely now and it may move up from here. Fresh buying interest is expected from mid June. As major portion of seed is in strong hands, short supply of seed may be felt in the weeks to come.

Castor Seed arrival Chart:



Castor seed arrivals have increased considerably, except Rajkor and Sumerpur in the week under review. Now arrivals are expected to decrease as most farmers have sold out their stock(almost 80 percent). This may support price once again. Buyers would start fresh buying from Mid June and it would lend support to the market. There is a buzz in the market that planters may face short supply of seed June onward .

Adoni Market (Andhra Pradesh):

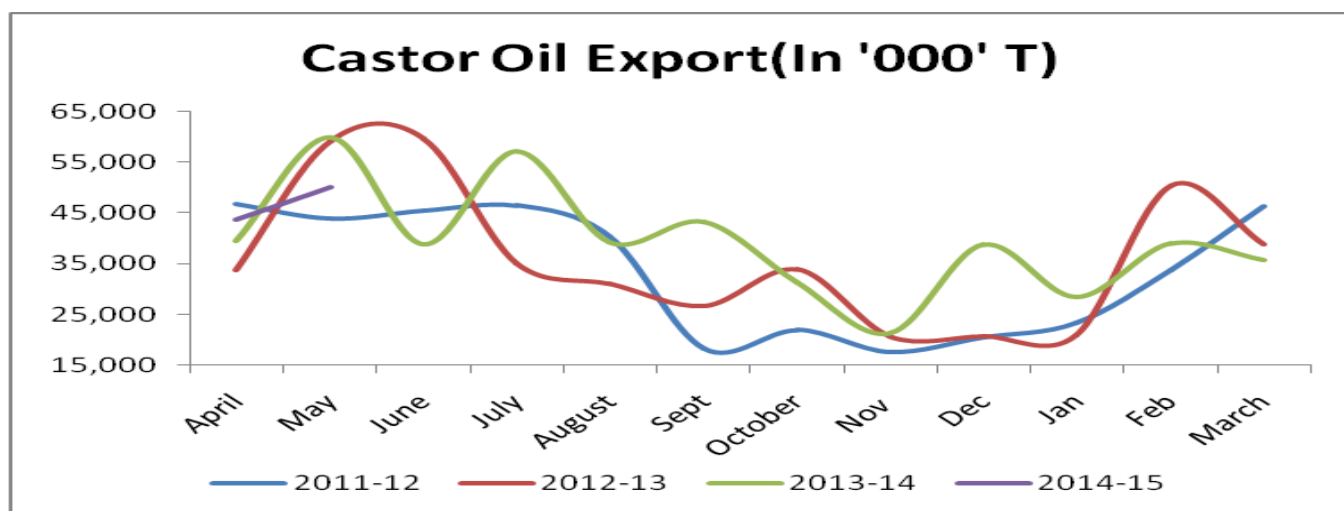


Prices in Adoni market have improved slightly getting support from other cash market. Market is expected to trade steady in the weeks ahead. Arrivals in Adoni too have decreased slightly. However it is higher than previous week.

Cash Market Price Outlook:

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	3750	3850
Medium Term (30 days)	3900	4000

Castor Oil Export Trend:



China, EU and USA remained the active buyers among others in the month of May. Total export in May registered 43,000 tonne by the end of May, slightly higher than April. In June export volume may increase due to improvement of demand, expected from mid June.

Comparative Prices Of Castor Products Including Seed

	30TH May'14	23ND May'14	30TH Apr'14	30TH May'13	Change % from last year
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	39250	38500	NQ	33635	-14.31
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	108	98	NQ	90	-16.67
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	6700	5750	NQ	4800	--28.36
Castor Oil (First Grade) FOB Kandla (Export)	1380	1390	NQ	1320	-4.35
Local rates in domestic market(Rs./M.T.) for comm.	81000	81500	82000	71135	-12.18

Technical Analysis:



Technical Commentary:

- Candle stick pattern shows firmness in the market.
- Nearest by support is 3850 while the first resistance is 4001.
- RSI is hovering in neutral zone.
- Players are advised to buy above 3851 maintaining stop loss strictly at 3830.

Strategy: Buy on dip

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor seed	NCDEX	June	3801	3850	3913	3975	4046
Intraday Trade Call			Call	Entry	T1	T2	SL
Castor seed	NCDEX	June	Buy	Above 3851	3900	3970	3825

Castor Seed Weekly Prices on 30.5.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			30-May-14	23-May-14	
Castor Seed	Rajasthan	Sumerpur	3600	3550	50
		Jodhpur	3500	3700	-200
	Gujarat	Rajkot	Closed	3695	-
		Gondal	3775	3805	-30
		Patan	3820	3790	30
		Deesa	3760	3000	760
		Mehsana	3725	3750	-25
		Kadi	NR	3750	-
		Ahmedabad	3700	3775	-75

Castor Price Weekly

Commodity	Center	Market	Price (Rs/Q)			
			Today	Week Ago	Month Ago	6 Month Ago
			30-May-14	23-May-14	30-Apr-14	30-Nov-13
Castor Seed	Rajasthan	Sumerpur	3600	3550	3680	3725
		Jodhpur	3500	3700	NR	NR
	Gujarat	Rajkot	Closed	3695	Closed	3695

		Gondal	3775	3805	Closed	NR
		Patan	3820	3790	Closed	3870
		Deesa	3760	3750	Closed	3968
		Mehsana	3725	3750	Closed	NR
		Kadi	NR	3805	Closed	NR
		Ahmedabad	3700	3775	3800	NR

Castor Seed Weekly Arrivals Scenario on 30.5.2014

Commodity	Center	Market	Fig. in Quintal		Change %
			30-May-14	23-May-14	
Castor Seed	Rajasthan	Sumerpur	4560	4800	-5.00
		Jodhpur	960	1360	-29.41
	Gujarat	Rajkot	5950	9510	-37.43
		Gondal	4653	814	471.62
		Patan	32498	48535	-33.04
		Deesa	10766	12786	-15.80
		Mehsana	4560	4952	-7.92
		Kadi	2164	7439	-70.91
		Other Gujarat	352591	329600	6.98
	Total Arrival		414142	414996	-0.21

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