

Castor Domestic Fundamentals: -

- **Castor seed markets traded up on short supply of seed** in major mandis of Rajasthan and Gujarat during the week under review. More dip in cash market from current level is unlikely as farmers have sold out 75 percent of their crop and the rest would continue to hit market in smaller quantity. Besides, stockists, who have around 3 lakh tonnes of seeds in their custody, would retain it for three to five months, it is believed. It would encourage prices in the weeks ahead.
- **FOB Quote for Castor oil first grade at Kandla has increased** from \$1380 to \$1400 per tonne in last one week. There is a considerable increase of 7.28 percent its price and given the current pace of demand market participants expect uptrend to continue in the weeks ahead. In local market commercial grade castor oil is being quoted at Rs 8200 per quintal, in \$ term it comes to \$1385/1386 per tonne.
- **Castor seed x-mandi price in Gujarat too has increased from** Rs 39275 to Rs 4000 per quintal in last one week and uptrend is likely to continue as per market expectation. However, castor meal (in bulk) ex-Kandla price has decreased from Rs 6700 to Rs 6400 per quintal. Lower demand in Meal is mainly attributed to higher meal price. During last one year castor meal price has increased by 11.21 percent to \$107 per tonne.
- **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.
- **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 \$1365/66 per tonne against \$1355 per tonne in April. Average Fob price is bound to increase in the month of June and may touch \$1400 to \$1420 per tonne.. Notably, final authentic figure for May export is still awaited.
- **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.
- **Overall outlook for castor oil, seed and meal remains firm for June** and July. Short supply of seed and regular demand of oil in domestic and international market would continue to support cash market.

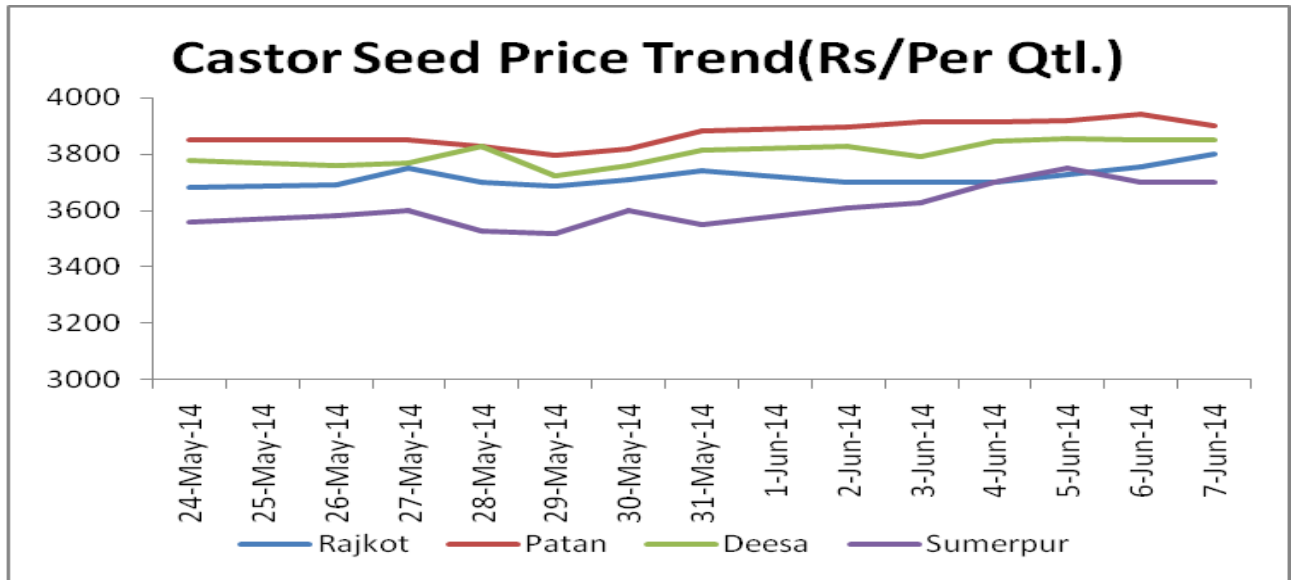
International Market Update:

- **Castor oil meal demand has increased from China and USA.** Netherland imported 3178 tonne oil meal in May. China brought 20357 tonne, almost 5 percent higher than April. USA brought around 8000 tonne meal and more buying from these countries is expected in June month.
- **Price of castor oil in Rotterdam too has increased from** \$1680 to \$1685 per metric tonne during last one week. As castor oil prices are moving up in domestic market, oil price in Rotterdam is bound to increase. Brazil and China would remain oil importer as local production is much lower than their current demand.
- **There is a general talk in the market that US buyers may** enter in to the market soon and it would be supportive for castor seed and its products in the domestic market.

Domestic market Outlook:

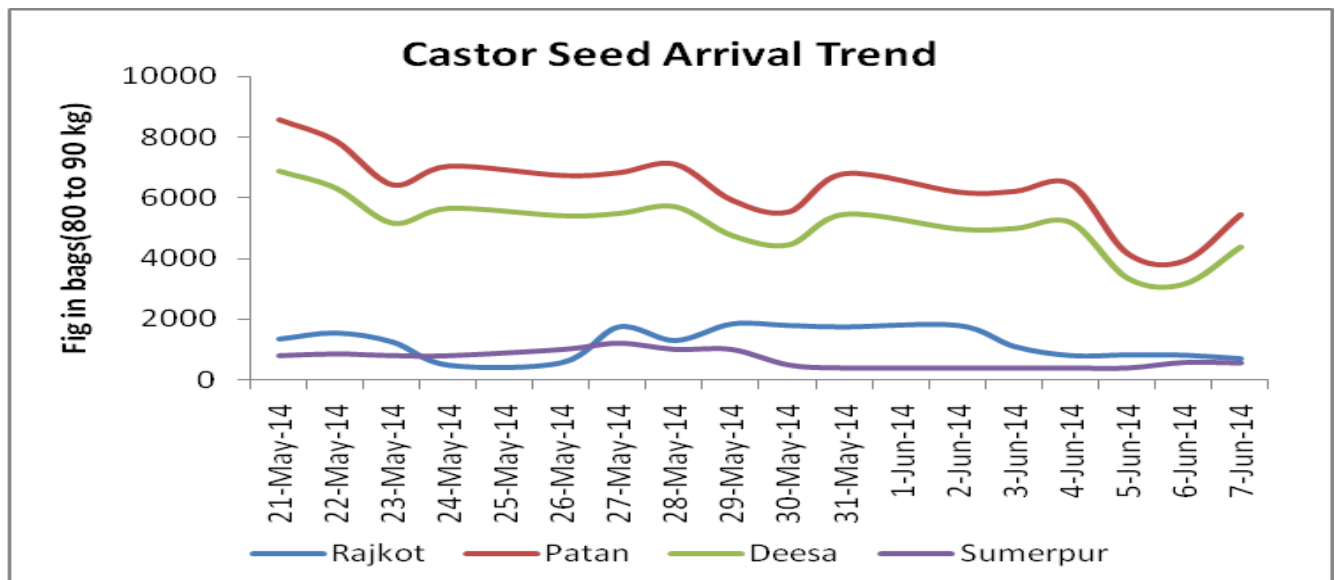
Market is likely trade firm in the second and third week of June.

Castor Seed Price Chart:



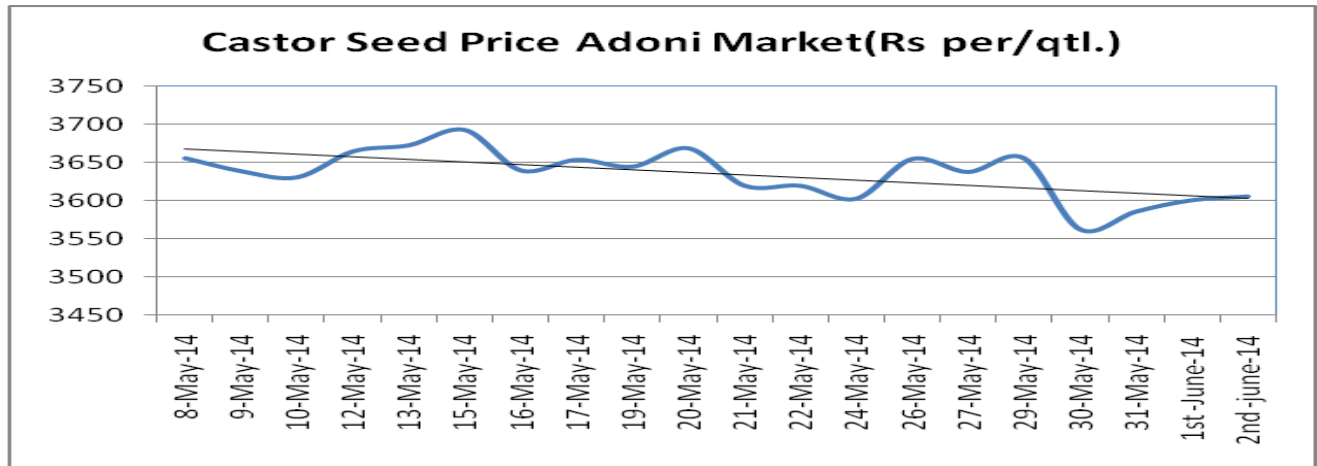
Cash market traded slightly higher during the first week of June in Rajkot and Deesa market due to restricted arrivals, higher quotes from retail buyers. However, prices decreased in Patan and Sumerpur. Market participants expect uptrend to continue. Fresh buying interest is expected from mid June. As major portion of seed is in strong hands, short supply of seed may be felt in the weeks to come. Lower supply of seed and continuous demand for oil would lend support seed market.

Castor Seed arrival Chart:



Castor seed arrivals have increased considerably in Deesa and Patan 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.Planters would offer higher price of seed as demand for oil remains supportive for them.

Adoni Market (Andhra Pradesh):

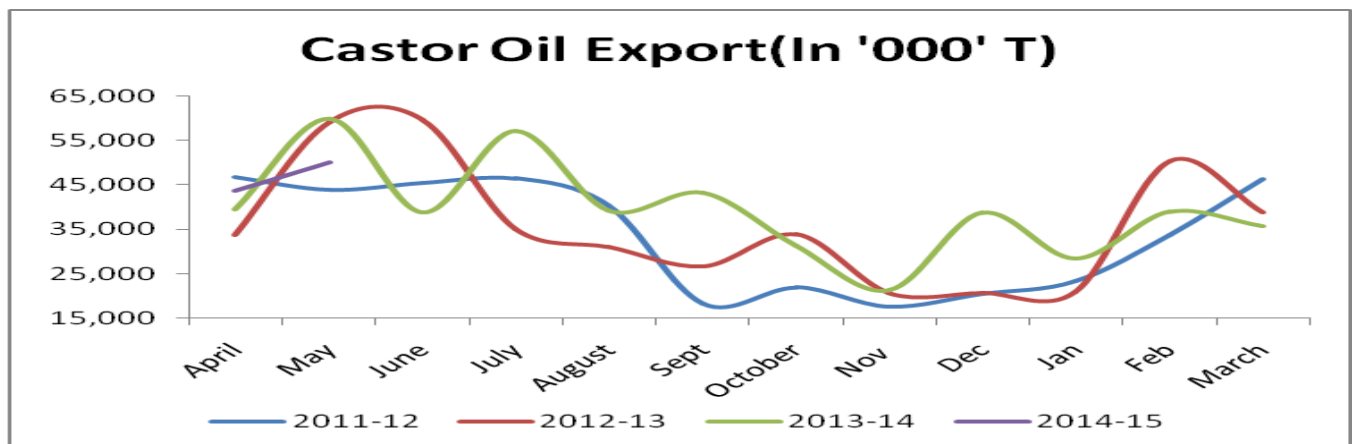


Prices in Adoni market has improved considerably getting support from other cash markets. Market is expected to trade steady to firm in the weeks ahead. However, arrivals in Adoni too have improved. Prices are expected to move up from here .

Cash Market Price Outlook For Deesa Spot:

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	3975-4000	4000-4025
Medium Term (30 days)	4025-4050	4050-4100

Castor Oil Export Trend:



9th June, 2014

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

	6TH June'14	30TH May'14	6TH May'14	6TH June'13	Change % from last year
Castor seed (Gujarat)((Rs./M.T) Ex-Mandi	40000	39250	38600	34958	12.60
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	107	108	97	95	11.21
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	6400	6700	5700	5160	19.38
Castor Oil (First Grade) FOB Kandla (Export)	1400	1380	1370	1298	7.29
Local rates in domestic market(Rs./M.T.) for comm.	82000	81000	82500	72204	11.95

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	August	4113	4142	4188	4226	4303
Intraday Trade Call			Call	Entry	T1	T2	SL
Castor seed	NCDEX	August	Buy	In-between 4160-65	4200	4225	4141

Castor Seed Weekly Prices on 6.6.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			6-Jun-14	30-May-14	
Castor Seed	Rajasthan	Sumerpur	3700	3600	100
		Jodhpur	3600	3500	100
	Gujarat	Rajkot	3800	Closed	-
		Gondal	3780	3775	5
		Patan	3940	3820	120
		Deesa	3850	3760	90
		Mehsana	3850	3725	125
		Kadi	3865	NR	-
		Ahmedabad	NR	3700	-

Castor Price Weekly

Commodity	Center	Market	Price (Rs/Q)			
			Today	Week Ago	Month Ago	6 Month Ago
			6-Jun-14	30-May-14	6-May-14	6-Dec-13
Castor Seed	Rajasthan	Sumerpur	3700	3600	3650	3780
		Jodhpur	3600	3500	3700	NR

Gujarat	Rajkot	3800	Closed	3725	3600
	Gondal	3780	3775	3805	NR
	Patan	3940	3820	3775	3975
	Deesa	3850	3760	3785	3988
	Mehsana	3850	3725	3775	NR
	Kadi	3865	NR	3820	NR
	Ahmedabad	NR	3700	3875	NR

Castor Seed Weekly Arrivals Scenario on 6.6.2014

Commodity	Center	Market	Fig. in Quintal		Change %
			6-Jun-14	30-May-14	
Castor Seed	Rajasthan	Sumerpur	2480	4560	-45.61
		Jodhpur	1200	960	25.00
	Gujarat	Rajkot	7090	5950	19.16
		Gondal	2605	4653	-44.01
		Patan	27586	32498	-15.11
		Deesa	10327	10766	-4.08
		Mehsana	4160	4560	-8.77
		Kadi	10558	2164	387.89
		Other Gujarat	125674	352591	-64.36
	Total Arrival			189200	414142

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