

Castor Domestic Fundamentals: -

- **Castor seed cash market started with firm tone in the first half** of the week and posted considerable increase of Rs 150 to Rs 170 per qtl. in the cash market and over Rs 200 in futures market. The major reason behind this increase is attributed to lower supply, considerable decrease in arrivals, good demand for castor products like oil, meal and other derivatives. However, in the second half of the week market witnessed profit booking and resultantly expected dip was seen in the cash as well as future markets.
- **FOB Quote for Castor oil first grade at Kandla has increased** from \$1400 to \$1405 per tonne in last one week. There is a modest increase in FOB quote. As market sentiment remains firm with good back up by demand, FOB quote may increase further in the weeks ahead. In local market commercial grade castor oil is being quoted at Rs 8200-8250 per quintal, in \$ term it comes to \$1387/1390 per tonne.
- **Castor seed x-mandi prices stay steady to slightly firm** at Rs 3950 to Rs 4010 per quintal (good quality) in last one week and uptrend is likely to continue as per market expectation. However, castor meal (in bulk) ex-Kandla price has increased slightly from Rs 6400 to Rs 6500 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.
- **South Korea has imported 61,667 tonne castor meal during April- May, 2014.** During month of May average FOB price at Indian port registered at \$100 per tonne. It is \$2 per tonne higher than April average price. However, it is \$10 per tonne higher than May 2013. The difference may widen up further as seed price is expected to remain at higher side.
- **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.
- **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.

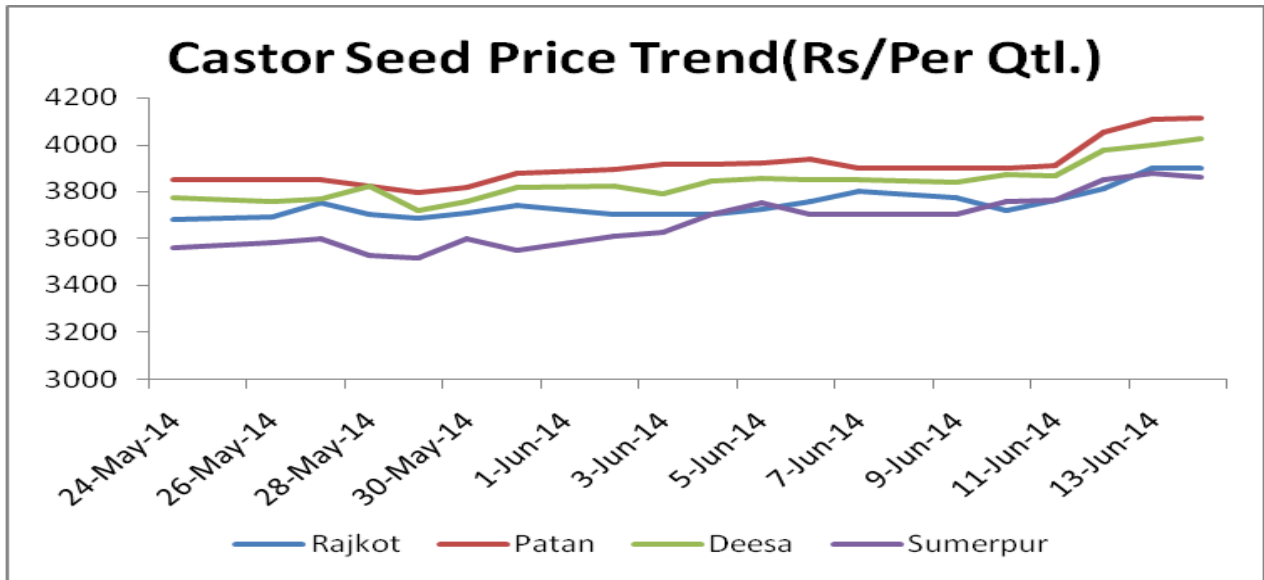
International Market Update:

- **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:

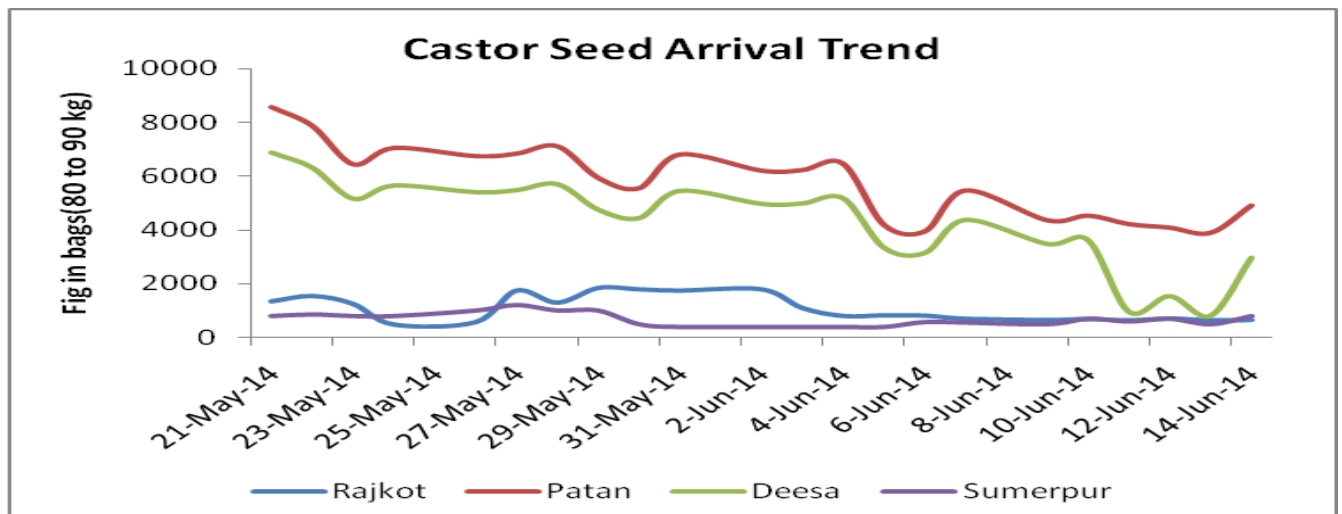
Market is likely trade steady to weak in the third week of June.

Castor Seed Price Chart:



Cash market traded higher during the second week of June major bench mark market due to restricted arrivals and good demand from planters. At the end of the week prices decreased slightly. Market participants expect uptrend to continue .Fresh buying interest is expected from the third week of 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.

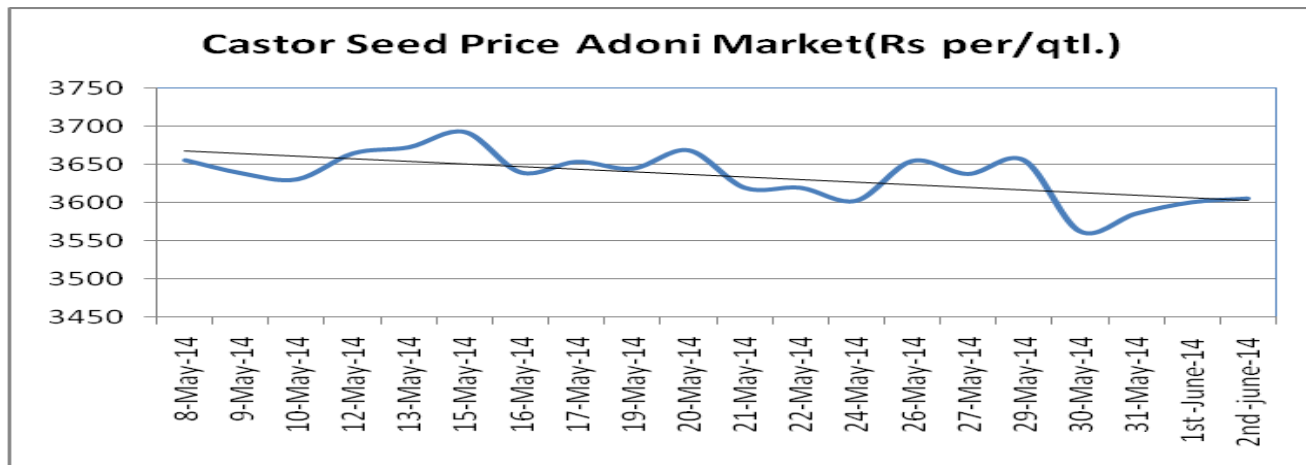
Castor Seed arrival Chart:



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):

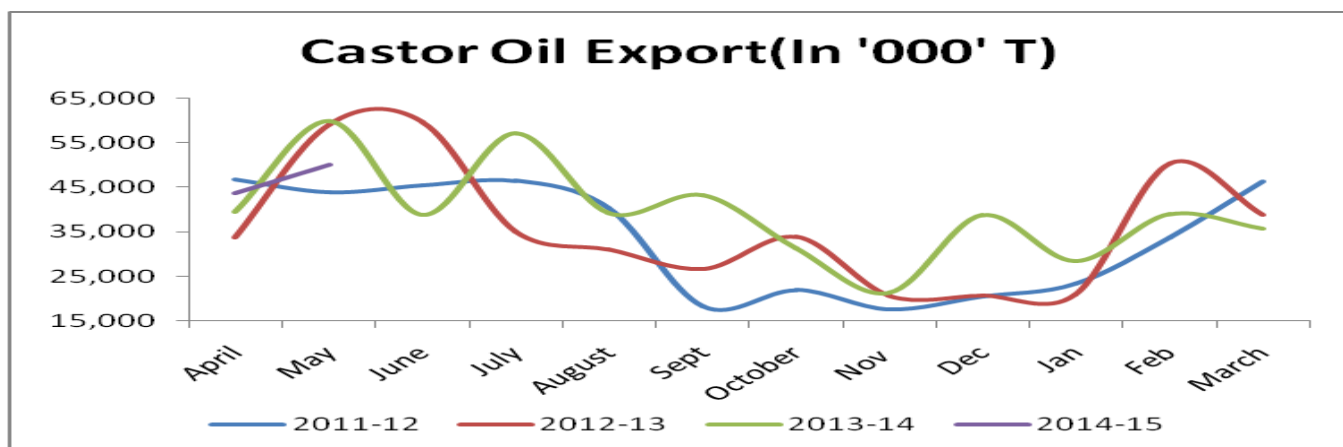


Prices in Adoni market has improved considerably getting support from other cash markets. Market is expected to trade steady to firm in the weeks ahead. However, arrivals in Adoni too have improved. Prices are expected to move up from here.

Cash Market Price Outlook For Deesa Spot:

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	4000-4050	4050-4100
Medium Term (30 days)	4100-4150	4150-4200

Castor Oil Export Trend:



China, EU and USA remained the active buyers among others in the month of May. June South Korea brought meal and oil too. Oil export quantity for export till 12th June has reached at 25570 tonne as per trade estimate. In June export volume may increase due to improvement in demand and total quantity may touch at 50,000 tonne..

Comparative Prices Of Castor Products Including Seed

	6TH June'14	30TH May'14	6TH May'14	6TH June'13	Change % from last year
Castorseed (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

Note: Fresh data awaited

Technical Analysis:



Technical Commentary:

- Candle stick pattern shows firmness in the market.
- Nearest by support is 4200 while the first resistance is 4355.
- RSI is hovering in neutral zone.
- Players are advised to buy in between 4250-55 maintaining stop loss strictly at 4201.

Strategy: Buy on dip

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor seed	NCDEX	July	4200	4250	4300	4350	4404
Intraday Trade Call			Call	Entry	T1	T2	SL
Castor seed	NCDEX	July	Buy	In-between 4250-55	4350	4400	4201

Castor Seed Weekly Prices on 13.6.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			12-Jun-14	6-Jun-14	
Castor Seed	Rajasthan	Sumerpur	3880	3700	180
		Jodhpur	3750	3600	150
	Gujarat	Rajkot	3900	3800	100
		Gondal	3930	3780	150
		Patan	4110	3940	170
		Deesa	4000	3850	150
		Mehsana	4025	3850	175
		Kadi	4050	3865	185
		Ahmedabad	NR	NR	-

Castor Price Weekly

Commodity	Center	Market	Price (Rs/Q)			
			Today	Week Ago	Month Ago	6 Month Ago
			13-Jun-14	6-Jun-14	13-May-14	13-Dec-13
Castor Seed	Rajasthan	Sumerpur	3880	3700	3680	4125
		Jodhpur	3750	3600	3850	NR

16th June, 2014

Gujarat	Rajkot	3900	3800	3840	4120
	Gondal	3930	3780	NR	NR
	Patan	4110	3940	3900	4360
	Deesa	4000	3850	3855	4392
	Mehsana	4025	3850	3850	NR
	Kadi	4050	3865	NR	NR
	Ahmedabad	NR	NR	3850	NR

Castor Seed Weekly Arrivals Scenario on 13.6.2014

Commodity	Center	Market	Fig. in Quintal		Change %
			12-Jun-14	6-Jun-14	
Castor Seed	Rajasthan	Sumerpur	2960	2480	19.35
		Jodhpur	1200	1200	Unch
	Gujarat	Rajkot	3385	7090	-52.26
		Gondal	3773	2605	44.84
		Patan	26485	27586	-3.99
		Deesa	6498	10327	-37.08
		Mehsana	3360	4160	-19.23
		Kadi	10999	10558	4.18
		Other Gujarat	NR	125674	-
	Total Arrival			189200	55700

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