

Castor Domestic Fundamentals: -

- **Firm sentiment continued to dominate physical seed market** during the week under review. Prices of seed in various markets edged up by Rs 100 to Rs 120 per qtl. Sellers are unwilling to sell retained quantity in firmer outlook for seed in the domestic market. Arrivals in various markets have come down drastically (around 60 percent in last two weeks).
- **Market participants say that 75 to 80 percent crop has been** sold out from farmers end and whatever stock they have right now would be released in Nov. Dec as they expect the highest price at that point of time. Actually, castor market would continue to maintain its uptrend if monsoon rains occur at time in main growing region like Rajasthan, Gujarat and parts of Andhra Pradesh.
- **If it gets delayed by 15 or 20 days prices of castor seed would** stay steady or dip slightly. The region behind this logic is timely rain fall would increase guar area. However, untimely/delayed rainfall would increase castor area in guar growing belt. So it would be important to watch weather development in Guar and castor growing belts in next 20 /25 days.
- **FOB Quote for Castor oil first grade at Kandla has increased** from \$1450 to \$1475 per tonne in last one week. It is almost 12 percent higher than the price realised in May 2013. Sharp increase in FoB quote is mainly attributed to higher seed price and good demand from overseas market. As market sentiment remains firm with good back up by demand, it may cross \$1500 by the end of July. In local market commercial grade castor oil is being quoted at Rs 8400 per quintal, in \$ term it comes to \$1400/1402 per tonne. It is 14.2 percent higher than the price in June, 2013.
- **Seed and meal prices too have increased in the week under review.** Castor seed Gujarat ex-mandi price (fine variety) too have increased from Rs 40750 to Rs 42300 per tonne. It is ruling higher by 17.35 percent from June, 2013. Castor meal export price for bulk quantity increased from \$110 to \$115 per tonne. It is higher by 17.39 percent from June 2013. Demand is good and uptrend is likely to continue.
- **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.
- **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. However, progress of monsoon needs to be watched closely.

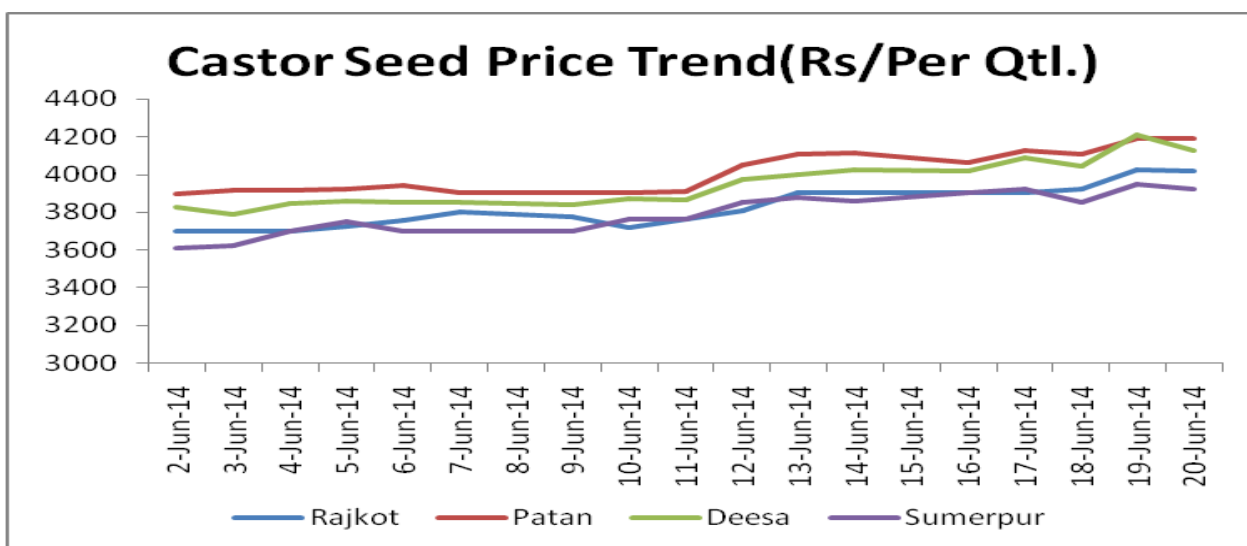
International Market Update:

- **Castor oil meal demand has increased from China and USA.** Netherland imported 2478 tonne oil meal in June. China brought 17157 tonne, almost 7 percent higher than May. USA brought around 4500 tonne meal. It was brought in the range of \$ 110 to \$115 per tonne.
- **Price of castor oil in Rotterdam too has increased from \$1685 to \$1690 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. Castor derivatives demand too is increasing.

Domestic market Outlook:

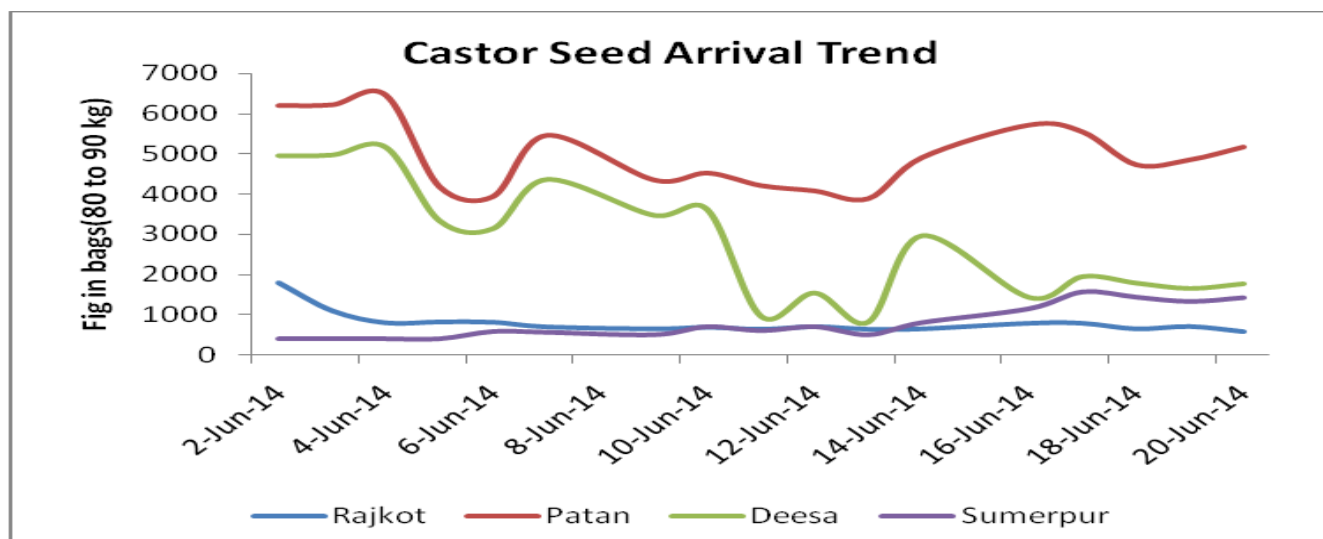
Market is likely trade steady to firm in the fourth week of June.

Castor Seed Price Chart:



Cash market traded up during the third week of June in major bench mark markets due to restricted arrivals and good demand from planters. At the end of the week prices decreased slightly. However it is considered as technical correction. Market participants expect uptrend to continue. 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 to seed markets.

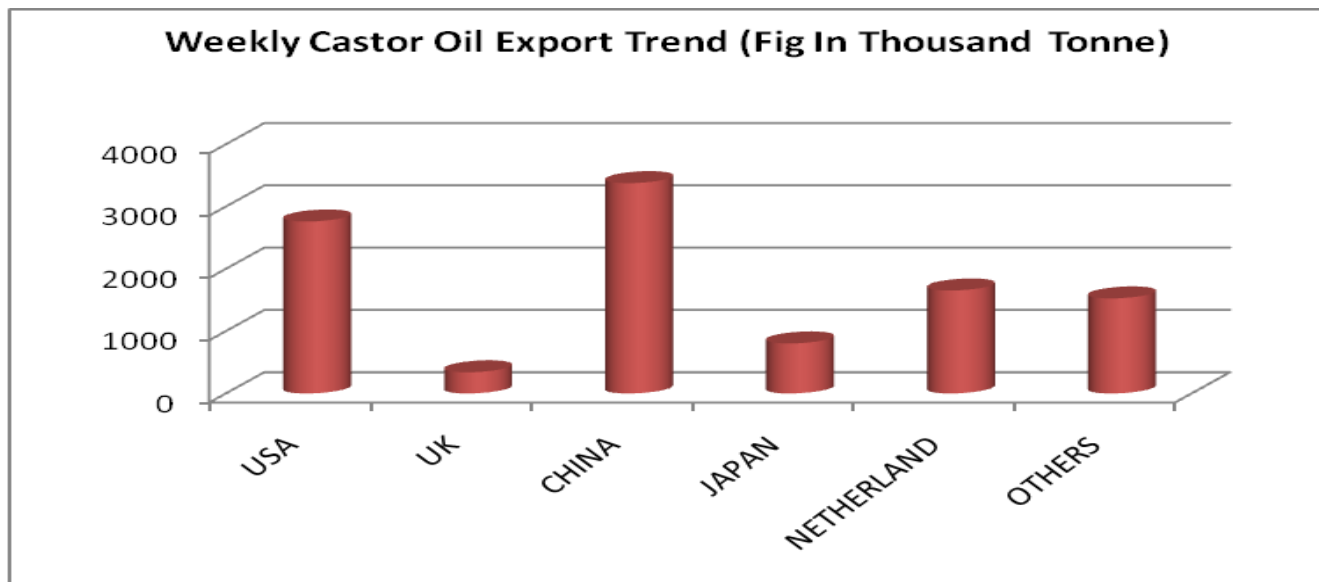
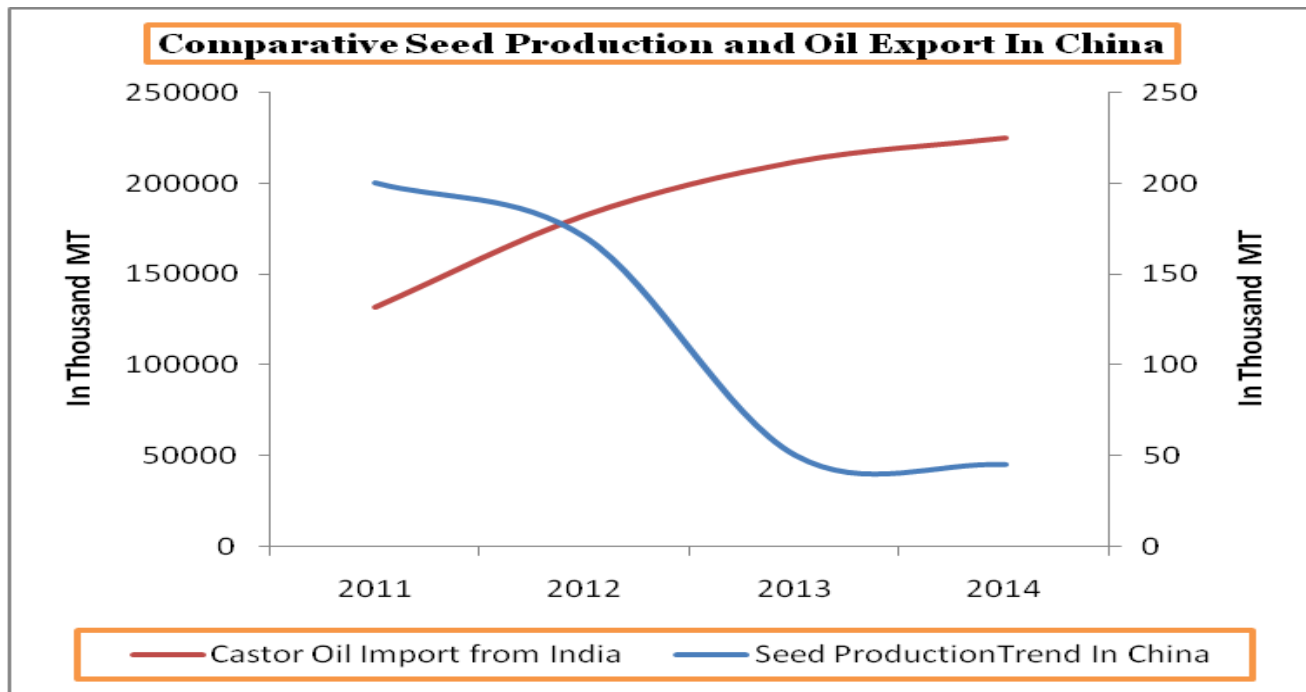
Castor Seed arrival Chart:



Castor seed arrivals have increased considerably in Patan in the week under review. However, it has been almost steady in Deesa and Sumerpur. It has declined slightly in Rajkot. Now arrivals are

expected to decrease as most farmers have sold out their stock (almost 80 percent). This may support price once again.

Seed Production & Oil Export Trend In China:

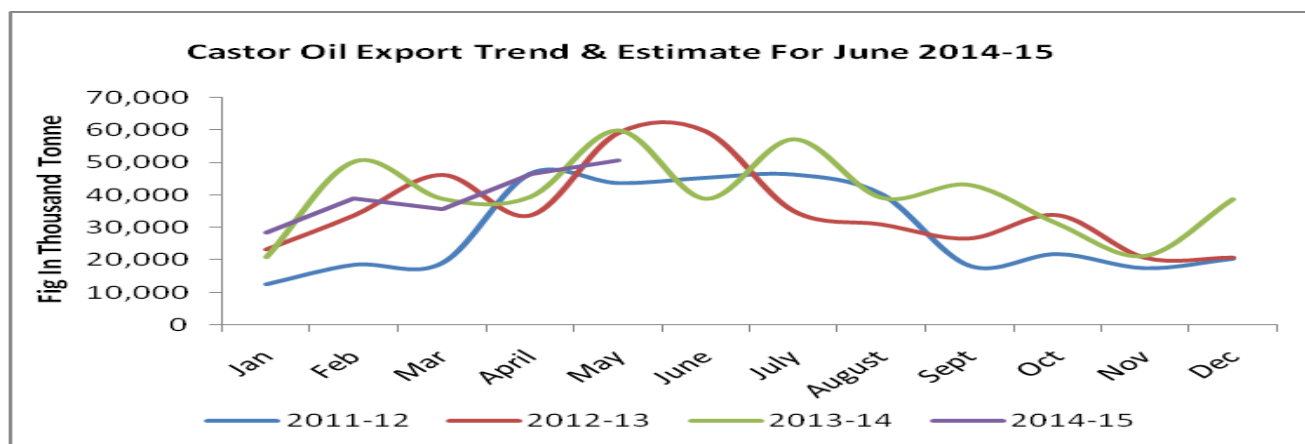


Oil export during the third week of June was registered at 10,300 Metric tonne, higher than 4 percent from previous week. Major buyers were China, USA and Netherland. Japan and UK too have brought small quantity. The same buying trend is expected this week also. Average weekly FOB quote comes to \$1550 per tonne. It may increase further as demand is good and seed is getting firmer.

Cash Market Price Outlook For Deesa Spot:

| Expected Range | Rs/Qtl.(Low) | Rs /Qtl.(High) |
|-----------------------|--------------|----------------|
| Short term (15 days) | 4100-4150 | 4150-4200 |
| Medium Term (30 days) | 4200-4250 | 4250-4300 |

Castor Oil Export Trend:



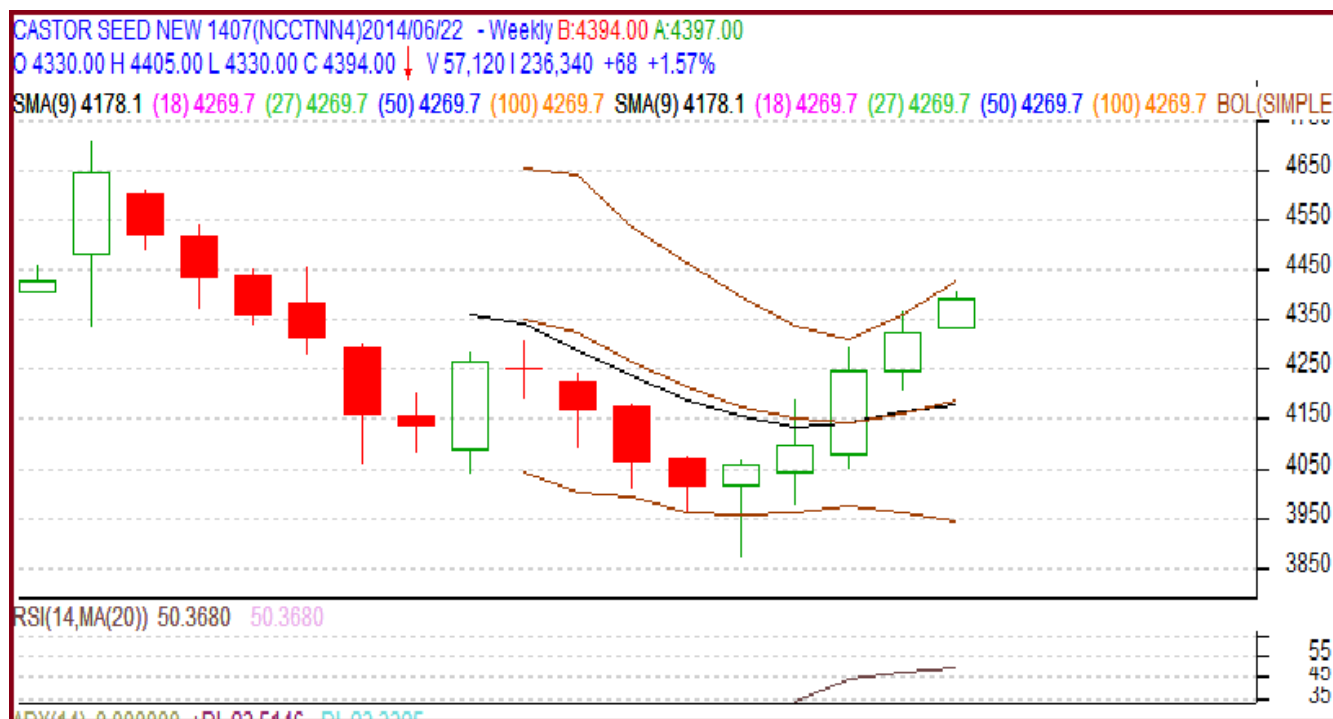
China, Netherland and USA remained the active buyers among others in the month of June. South Korea brought meal and oil too but in smaller quantity. Oil export quantity for export from 9th to 16th June has registered at 10,300 metric tonne as per IBIS data. In June export volume may increase further due to improvement in demand and total quantity may cross at 50,000 tonne.FOB quote for export for the week registered at \$1550 per tonne from \$1540 per tonne in previous week.

Comparative Prices Of Castor Products Including Seed

| | 20TH June'14 | 13TH June'14 | 20TH May'14 | 20TH June'13 | Change % from last year |
|---|-----------------|-----------------|----------------|-----------------|-------------------------------|
| Castorseed (Gujarat)((Rs./M.T) Ex-Mandi | 42300 | 40750 | 38500 | 34958 | 17.35 |
| Castor Meal Export (FAS) (US\$ / MT),Ex Kandla | 115 | 110 | 98 | 95 | 17.39 |
| EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla | 6350 | 6250 | 5750 | 5160 | 18.74 |
| Castor Oil (First Grade) FOB Kandla (Export) | 1475 | 1450 | 1390 | 1298 | 12 |
| Local rates in domestic market(Rs./M.T.) for comm. | 84000 | 82000 | 82000 | 72204 | 14.04 |

Note: Fresh data awaited

Technical Analysis:



Technical Commentary:

- Candle stick pattern shows firmness to continue in the market.
- Nearest by support is 4350 while the first resistance is 4461.
- RSI is hovering in neutral zone.
- Players are advised to buy in between 4350-55 maintaining stop loss strictly at 4336.

Strategy: Buy on dip

| Intraday Supports & Resistances | | | S2 | S1 | PCP | R1 | R2 |
|---------------------------------|-------|------|------|--------------------|------|------|------|
| Castor seed | NCDEX | July | 4300 | 4337 | 4400 | 4461 | 4525 |
| Intraday Trade Call | | | Call | Entry | T1 | T2 | SL |
| Castor seed | NCDEX | July | Buy | In-between 4350-55 | 4425 | 4460 | 4336 |

Castor Seed Weekly Prices on 20.6.2014

| Commodity | Center | Market | Price (Rs/Q) | | Change |
|-------------|-----------|-----------|--------------|-----------|--------|
| | | | 20-Jun-14 | 13-Jun-14 | |
| Castor Seed | Rajasthan | Sumerpur | 3900 | 3880 | 20 |
| | | Jodhpur | 3900 | 3750 | 150 |
| | Gujarat | Rajkot | 4020 | 3900 | 120 |
| | | Gondal | 4080 | 3930 | 150 |
| | | Patan | 4190 | 4110 | 80 |
| | | Deesa | 4125 | 4000 | 125 |
| | | Mehsana | 4140 | 4025 | 115 |
| | | Kadi | 4105 | 4050 | 55 |
| | | Ahmedabad | NR | NR | - |

| Castor Price Weekly | | | | | | |
|---------------------|-----------|-----------|--------------|-----------|-----------|-------------|
| Commodity | Center | Market | Price (Rs/Q) | | | |
| | | | Today | Week Ago | Month Ago | 6 Month Ago |
| | | | 20-Jun-14 | 13-Jun-14 | 20-May-14 | 20-Dec-13 |
| Castor Seed | Rajasthan | Sumerpur | 3900 | 3880 | 3550 | 4450 |
| | | Jodhpur | 3900 | 3750 | 3550 | NR |
| | Gujarat | Rajkot | 3640 | 3900 | 3680 | 4390 |
| | | Gondal | 4080 | 3930 | NR | NR |
| | | Patan | 4190 | 4110 | 3850 | 4620 |
| | | Deesa | 4125 | 4000 | 3775 | 4625 |
| | | Mehsana | 4140 | 4025 | 3725 | NR |
| | | Kadi | 4105 | 4050 | 3780 | NR |
| | | Ahmedabad | NR | NR | 3825 | NR |

Castor Seed Weekly Arrivals Scenario on 20.6.2014

| Commodity | Center | Market | Fig. in Quintal | | Change % |
|-------------|---------------|---------------|-----------------|-----------|----------|
| | | | 20-Jun-14 | 13-Jun-14 | |
| Castor Seed | Rajasthan | Sumerpur | 2640 | 2480 | 6.45 |
| | | Jodhpur | 1040 | 1200 | -13.33 |
| | Gujarat | Rajkot | 4160 | 7090 | -41.33 |
| | | Gondal | 4397 | 2605 | 68.79 |
| | | Patan | 30917 | 27586 | 12.07 |
| | | Deesa | 9248 | 10327 | -10.45 |
| | | Mehsana | 4200 | 4160 | 0.96 |
| | | Kadi | 15229 | 10558 | 44.24 |
| | | Other Gujarat | 36151 | 125674 | -71.23 |
| | Total Arrival | | 189200 | 105342 | 189200 |

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