

Castor Domestic Fundamentals: -

- **Despite minor downward correction in cash and futures markets** in recent days overall market sentiments remain bullish and uptrend is likely to continue in the weeks ahead. Prices of seed increased by 6.65 percent from Rs 4060 to Rs 4350 per qtl in Patan in last two weeks. In Dessa market it increased by 7.37 percent to Rs 4340 per qtl. during the same time. The highest increase was registered in Sumerpur where prices increased by 9.34 percent.
- **Arrivals too have decreased considerably during the week under review.** In Deesa and Sumerpur Market arrivals decreased from 1560 to 1131 qtl. and 560 to 240 qtl. respectively. Farmers, Stockists are unwilling to release stock smoothly in rising market. Lower arrivals, good demand for oil and other castor products like meal and other derivatives continue to lend support the market fundamentals.
- **Monsoon in main growing regions like Gujarat, Rajasthan and Andhra Pradesh** are progressing below normal pace and rainfalls are 20 to 25 percent below normal as of now. However, sowing has not commenced in any states and it might be start by the end of this month. Market participants say that 20 to 25 days delays in monsoon rains and a gap of rainfalls in August in between 10 to 15 days may encourage farmers to grow more castor.
- **Market participants expect that farmers have retained almost 15 to 20 percent marketable surplus** and would release it in Nov. Dec when prices are expected to be at highest level. Stockists/ major stake holders too would not release stock at a time. They would prefer to release stock in parts to keep market buoyant.
- **FOB Quote for Castor oil first grade at Kandla has increased** from \$1475 to \$1510 per tonne in last one week. It is almost 15 percent higher than the price realised in June 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 \$1550 by the end of July. In local market commercial grade castor oil is being quoted at Rs 8750 per quintal, in \$ term it comes to \$1440/1450 per tonne. It is 16.7 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 42300 to Rs 43750 per tonne. It is ruling higher by 20 percent from June, 2013. Castor meal export price for bulk quantity stayed steady at \$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 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. Adverse weather can impact guar area in Gujarat and if crop gets damaged, farmers would prefer to use this area for castor seed. If it happens so, castor production may increase considerably, given the trend of deficit rainfall so far.

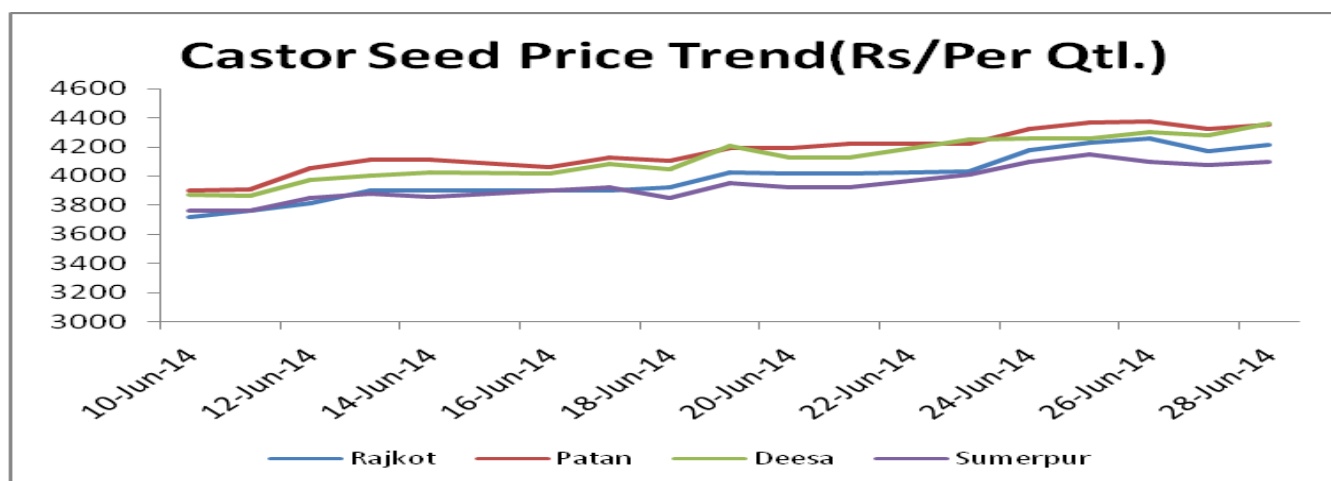
International Market Update:

- **Demand for castor meal and oil continues from EU, USA and China.** FOB quote from Kandla has been registered at \$1510 per tonne and it may go up further by mid July as seed price is getting firmer day by day. During last one week export quote from Kandla port has increased over 14 percent. Export quote for meal stayed steady at \$115 per tonne. China, EU and Belgium brought almost 4500, 5500 tonne meal in last two weeks.
- **Price of castor oil in Rotterdam too has increased from \$1685 to \$1830** 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.
- **US and Chinese buyers may enter in to the market soon for fresh buying** as they are well aware of fresh buying and it would be supportive for castor seed and its products in the domestic market.

Domestic market Outlook:

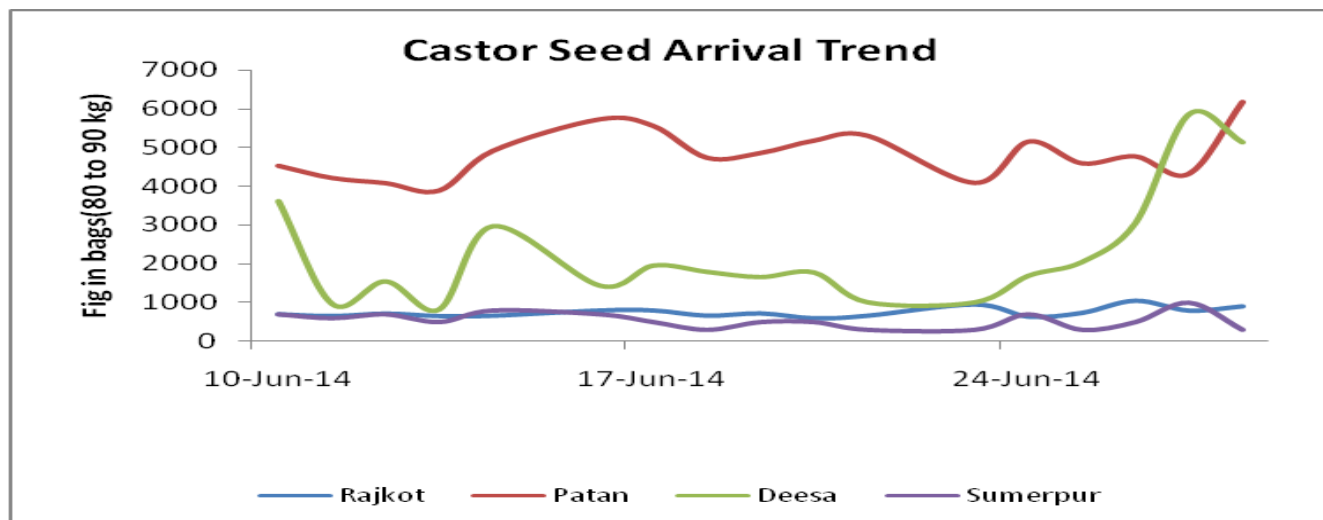
Market is likely trade firm in the first week of July.

Castor Seed Price Chart:



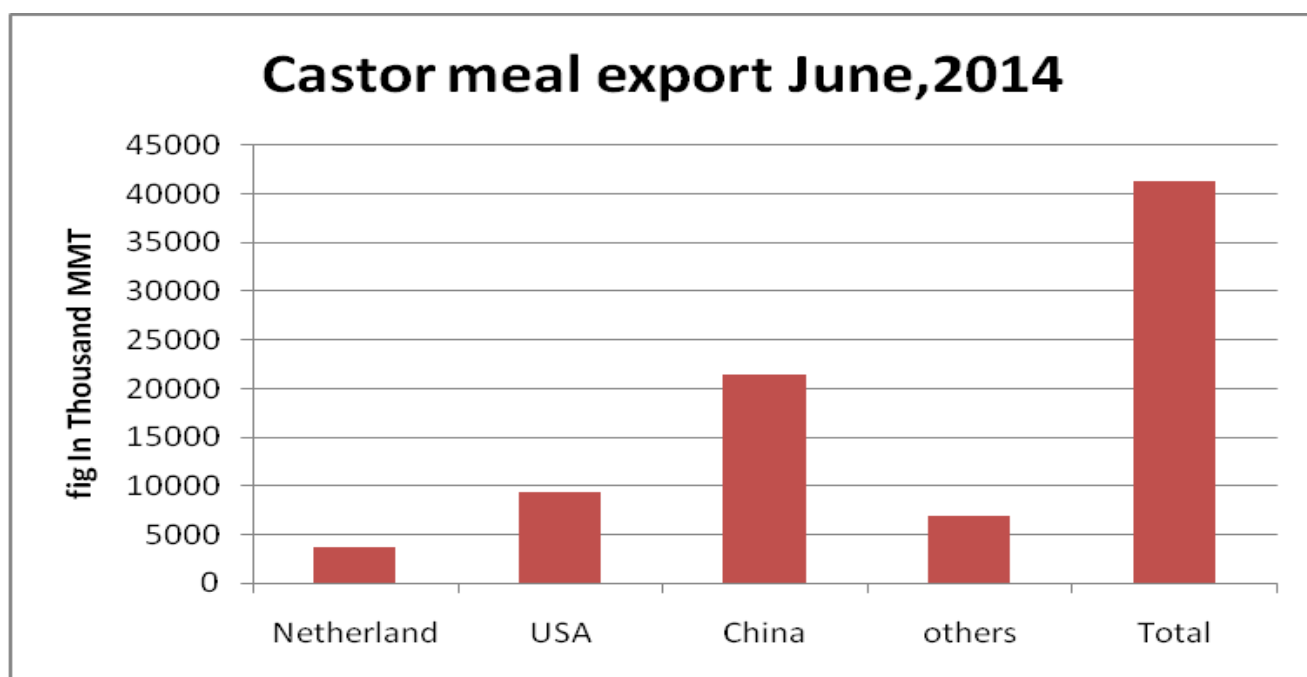
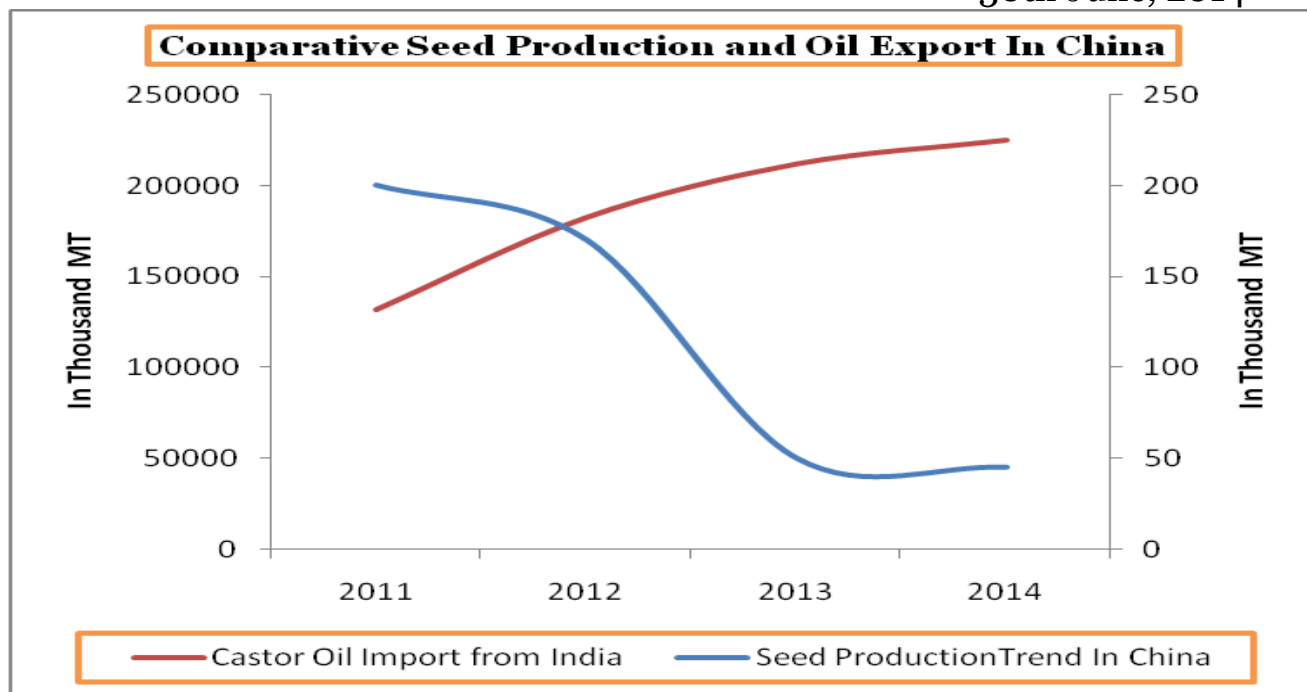
Cash market traded up during the fourth week of June in major bench mark markets due to restricted arrivals and good demand from planters and oil from overseas market. At the end of the week prices continued to move up. Market participants expect uptrend to continue as there is a visible short supply of seed. Lower supply of seed and continuous demand for oil would lend support to seed markets. Stockists have to prove their ability.

Castor Seed arrival Chart:



Castor seed arrivals have increased considerably in Patan in the week under review. However, it has decreased in Deesa and Sumerpur. It has increased slightly in Rajkot. Now arrivals are expected to decrease as most farmers have sold out their stock (almost 80 percent). The rest marketable surplus would hit the market in Nov-Dec when prices are expected to rule the highest level. This may support price once again.

Seed Production & Oil Export Trend In China:

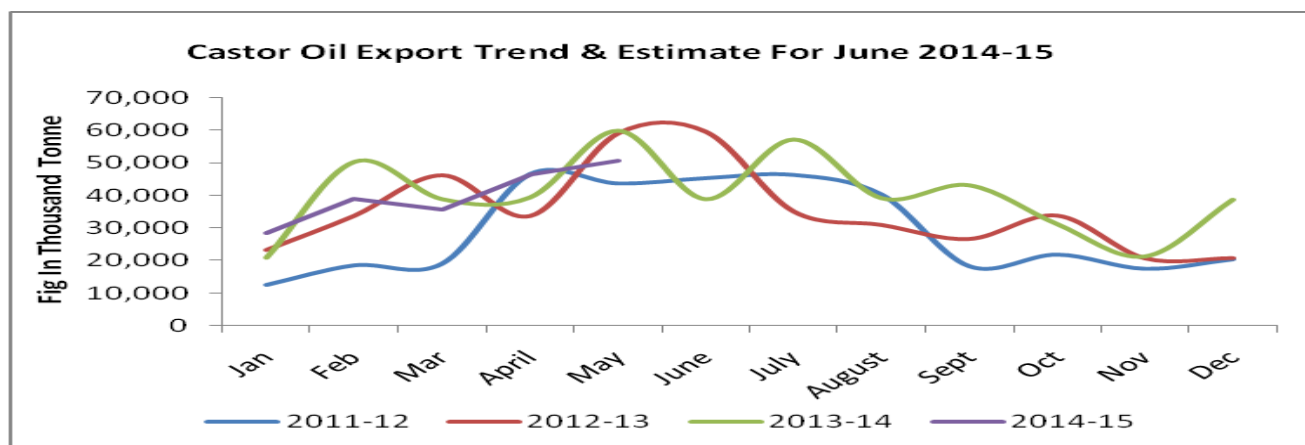


Castor meal export during the fourth week of June was registered at around 41,300 Metric tonne, higher by 1.5 percent from previous month. Major buyers were China, USA and Netherland. Japan and UK too have brought small quantity. The same buying trend is expected in the first week of July. FOB quotes from Kandla is \$115 per tonne and may stay steady in the first week of July.

Cash Market Price Outlook For Deesa Spot:

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	4300-4350	4350-4450
Medium Term (30 days)	4450-4550	4550-4650

Castor Oil Export Trend:

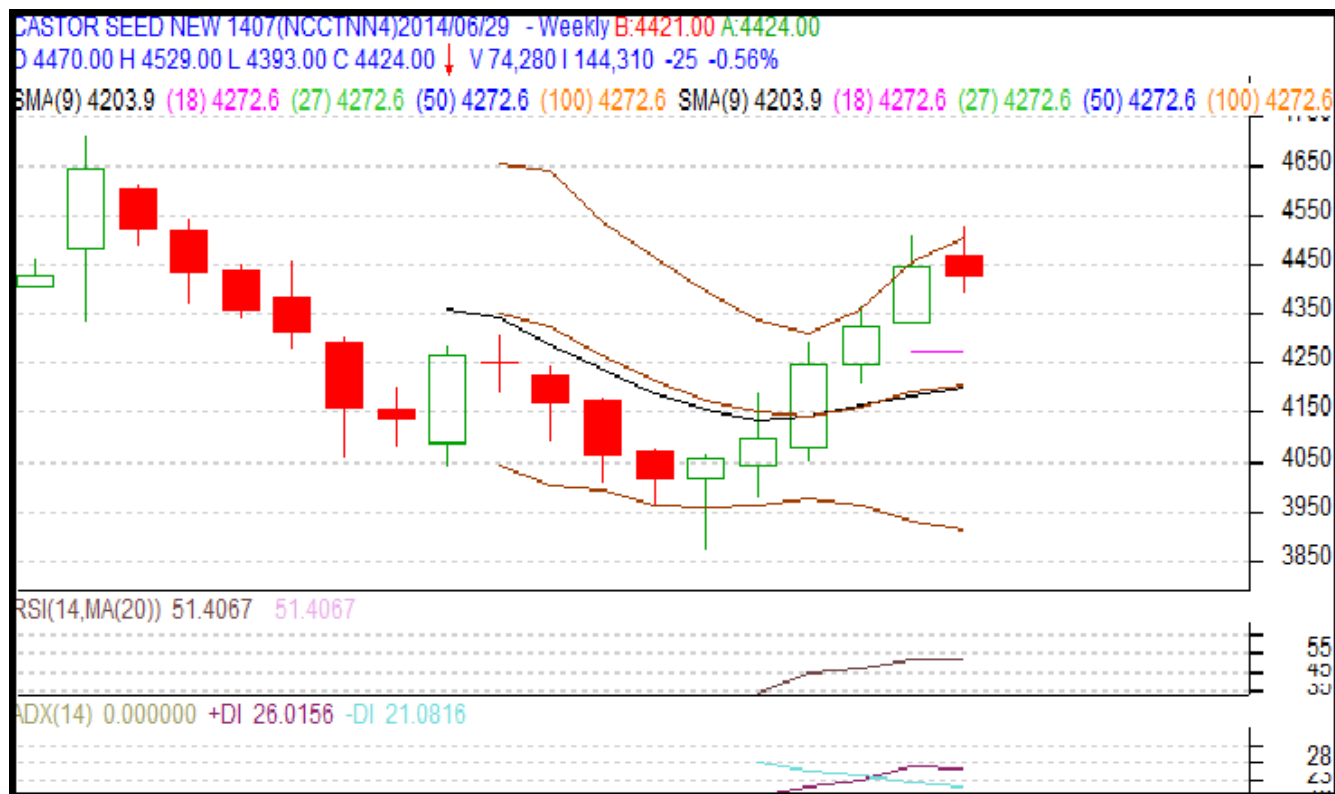


China, Netherland and USA remained the active buyers among others in the month of June. South Korea brought meal and oil too but in smaller quantity. Oil export quantity for export from 9th to 16th June has registered at 10,300 metric tonne as per IBIS data. In June export volume may increase further 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					
	27TH June'14	20TH June'14	27TH May'14	27TH June'13	Change % from last year
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	43750	42300	38250	34958	20.09
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	115	115	105	95	17.39
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	6350	6350	6000	5160	18.74
Castor Oil (First Grade) FOB Kandla (Export)	1510	1475	1385	1298	14.04
Local rates in domestic market(Rs./M.T.) for comm.	87500	84000	81000	72204	17.48

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 4450.
- RSI is hovering in neutral zone.
- Players are advised to buy in between 4350-55 maintaining stop loss strictly at 4324.

Strategy: Buy On Dip

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor seed	NCDEX	July	4301	4325	4426	4450	4600
Intraday Trade Call			Call	Entry	T1	T2	SL
Castor seed	NCDEX	July	Buy	In-between 4350-55	4445	4525	4324

Castor Seed Weekly Prices on 27.6.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			27-Jun-14	20-Jun-14	
Castor Seed	Rajasthan	Sumerpur	4075	3900	175
		Jodhpur	4100	3900	200
	Gujarat	Rajkot	4170	4020	150
		Gondal	4180	4080	100
		Patan	4320	4190	130
		Deesa	4280	4125	155
		Mehsana	4250	4140	110
		Kadi	4360	4105	255
		Ahmedabad	4200	4125	75

Castor Price Weekly						
Commodity	Center	Market	Price (Rs/Q)			
			Today	Week Ago	Month Ago	6 Month Ago
			27-Jun-14	20-Jun-14	27-May-14	27-Dec-13
Castor Seed	Rajasthan	Sumerpur	4075	3900	3600	4000
		Jodhpur	4100	3900	3700	NR
	Gujarat	Rajkot	4170	4020	3750	3960
		Gondal	4180	4080	3830	NR
		Patan	4320	4190	3850	4090
		Deesa	4280	4125	3825	4082
		Mehsana	4250	4140	3760	NR
		Kadi	4360	4105	3750	NR
		Ahmedabad	4200	4125	3850	NR

Castor Seed Weekly Arrivals Scenario on 27.6.2014

Commodity	Center	Market	Fig. in Quintal		Change %
			27-Jun-14	20-Jun-14	
Castor Seed	Rajasthan	Sumerpur	2480	2640	-6.06
		Jodhpur	1800	1040	73.08
	Gujarat	Rajkot	4785	4160	15.02
		Gondal	2857	4397	-35.02
		Patan	28183	30917	-8.84
		Deesa	11704	9248	26.56
		Mehsana	4600	4200	9.52
		Kadi	11112	15229	-27.03

	Other Gujarat	123159	36151	240.68
	Total Arrival	190680	107982	76.58

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