

Castor Domestic Fundamentals:-

- **Castor seed markets traded under pressure due to lower demands** for finished products like oil and meal during the week under review. Downward correction is likely to continue this week too. However, buyers may return once again to cover their short position. Importers are waiting for stabilization in the market and they expect oil FOB quote to come down near \$1450 to \$1460 per tonne. At this price seed price should rule near Rs 4050 to Rs 4100 per qtl. However, there is no trade reported at this price so far.
- **In major markets of Rajasthan and Gujarat prices of seed declined** in the range of Rs 125 to Rs 175 per qtl. during last one week and are ruling in between Rs 3900 to 4100 per qtl. Planters too have slowed down their buying as demand for oil has decreased considerably. There is a possibility of minor dip of Rs 50 per qtl. of seed price this week. Wait and watch time may be out by the end of this month on export front.
- **Arrivals in various market too have decreased and its final impact** on price would be felt in August. Arrivals during the week has decreased from over 1.5 lakh qtl to around 90 thousand qtl. Farmer's retention too has come down from 20 percent to 10 percent now. Good rainfall in last week and better prospects this week would restrict area shift from other crop to castor seed in Rajasthan and Gujarat.
- **All these developments hint bullish tone in the third quarter.** Current bearish phase is unlikely to continue for a long time. Actually, a major portion of seed (3 lakh tones) is believed to be in strong hands and they are in position to drag market both ways in their own interest. However, short supply of seed would push market up given the normal course of cash market trade.
- **Castor meal FOR is being quoted at Rs 6300 per tonne, slightly lower** (Rs 6350 per tonne) than last week. However, it is 16.05 percent higher than the price realized during July 2013. There was no trade reported on week ending 18 July. FOB Quote for Castor oil first grade at Kandla has decreased from \$1500 to \$1475 per tonne in last one week. However, it is almost 14.31 percent higher than the price realised in July 2013. Firmness would depend on rainfall status in the month of July. Castor meal export price for bulk quantity stayed steady at \$115 per tonne. It is higher by 17.39 percent from June 2013. Buyers are unwilling to buy at this level. It may declined to \$ 105-107 per tonne by the next week.
- **Till last week(11.07.2014) area coverage under castor seed was registered at 0.41 lakh ha.,** almost lower by 6.8 percent week on week basis. It is higher by 28 percent in Telengana/AP only. In other states it is lagging behind considerably. However, higher sowing activities may be felt in August, till then rainfall status would be more clear. Last year till date total area coverage has been registered at 0.44 lakh ha.
- **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. trans-planting of castor seed would start by the end of this month.
- **Overall all outlook for this week remains steady to slightly weak.** Buyers may enter into the market by the end of this week. Players should wait for a week to go for any buying in futures contract at this point of time.

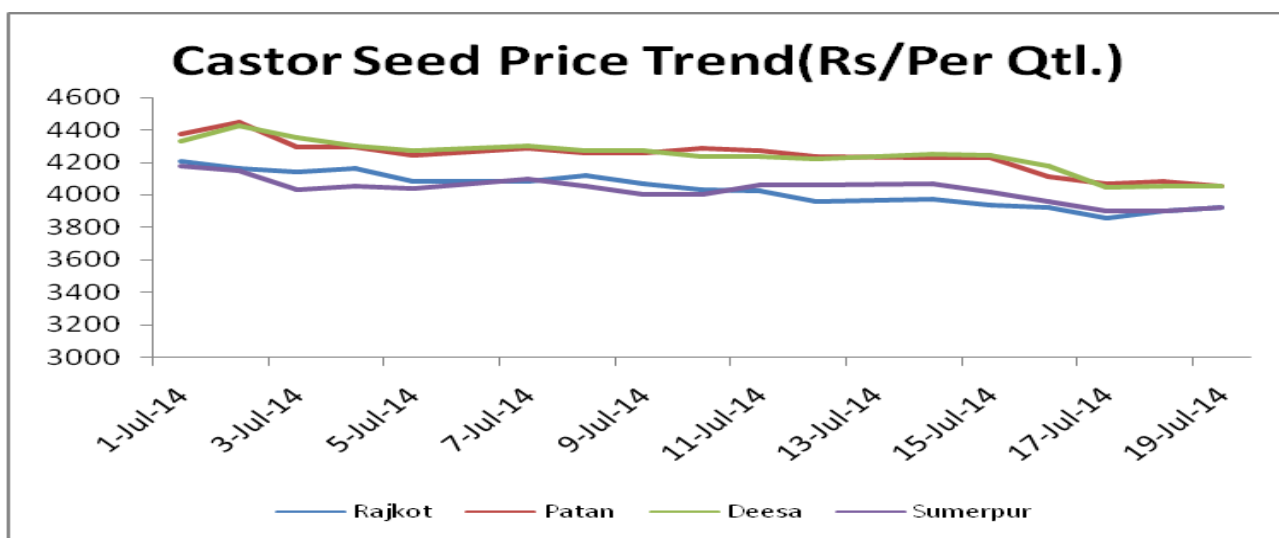
International Market Update:

- **No major trade has been reported this week. FoB quotes for castor oil at Kandla are being quoted around \$ 1475 per tonne** for export. Price has decreased almost \$25 per tonne in last one week as seed prices declined on selling pressure. Seed availability for this month is ample as considerable quantity from NCDEX ware houses for delivery in July is due.
- **Demand for castor meal and oil continues from EU, USA and China.** However, recent dip has slowed down fresh deal for the same. As buyers remain active FOB price is bound to go up in the fourth week of July and August. Export quote for meal stayed steady at \$110 per tonne.
- **Price of castor oil in Rotterdam too has decreased from \$1830 to \$1755** per metric tonne during last ten days. As castor oil prices are moving down in domestic market, oil price in Rotterdam is bound to decrease slightly for short term. EU and China would remain major oil importer as oil consumption in these countries are increasing at the rate of 7 to 8 percent per year.
- **US and Chinese buyers may enter into the market by the end of July for fresh buying** as they have stock only for a month's requirement.

Domestic market Outlook:

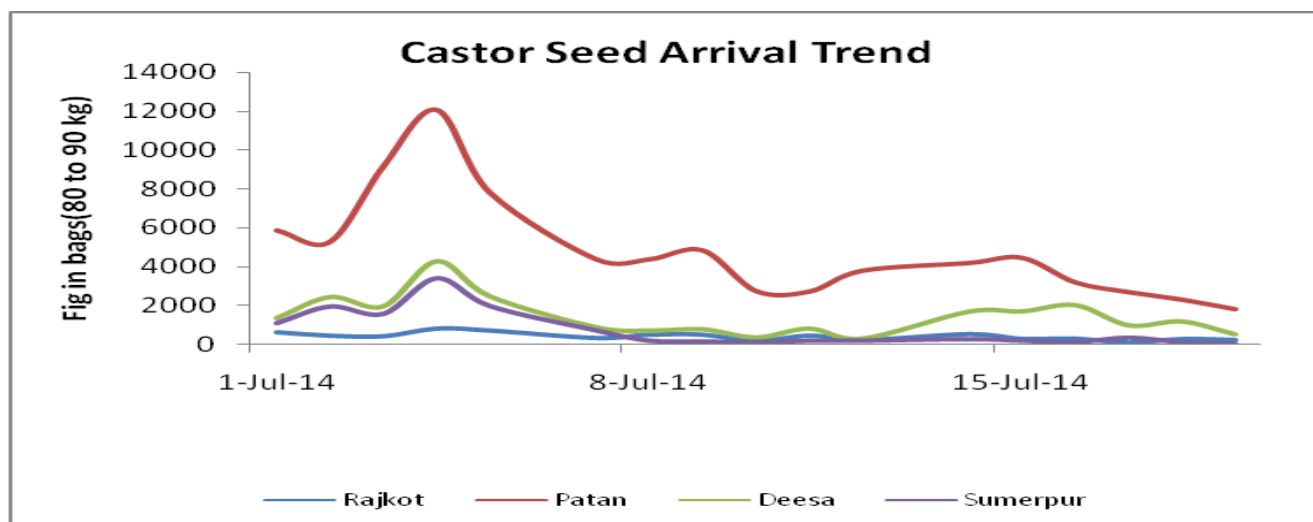
Market is likely trade steady to slightly weak in the fourth week of July.

Castor Seed Price Chart:



Cash market traded down during the third week of July and recovered slightly at weekend in major bench mark markets. Market participants expect more dip around Rs 50 per qtl. this week as demand for finished products has diminished sharply. However, any steep fall from current level is unlikely as buyers may turn to market to cover their short position at lower level by the end of this week.

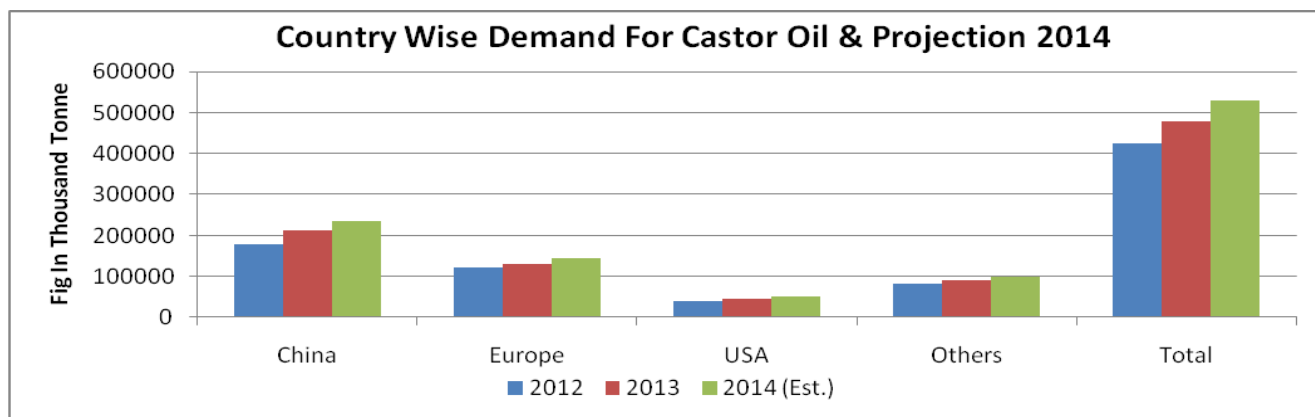
Castor Seed arrival Chart:



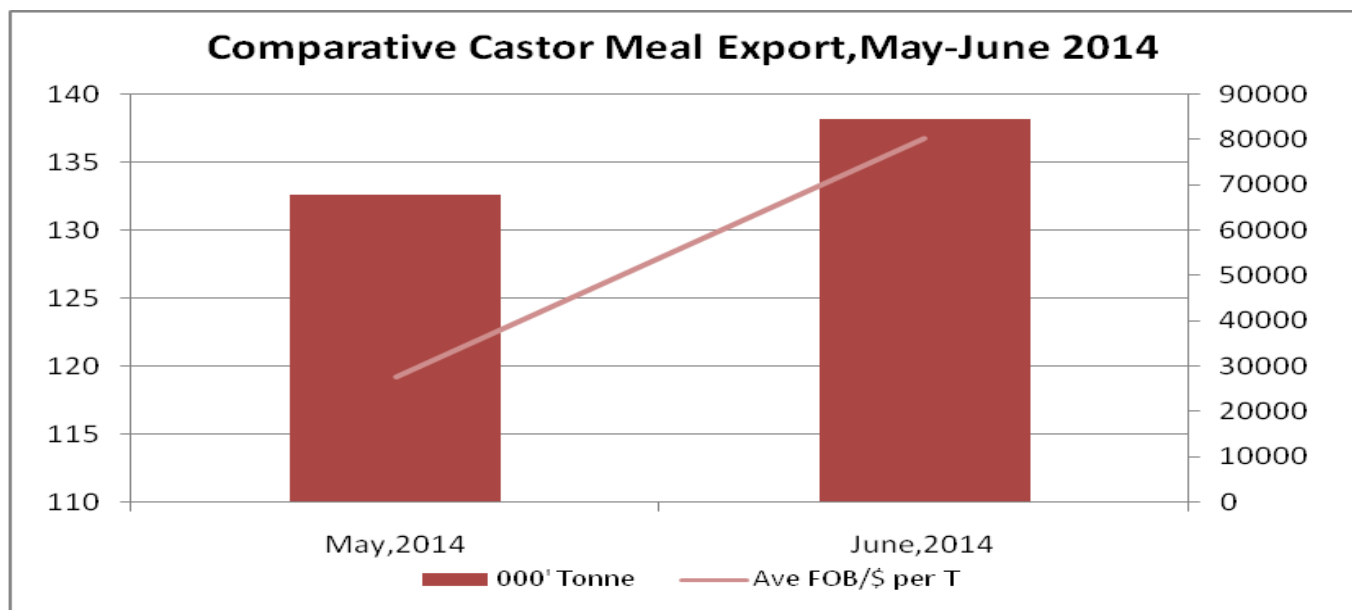
Castor seed arrivals have decreased considerably in Patan in the week under review. Even in other markets it has decreased too on selling pressure. However, it trades steady in Rajkot. Now arrivals would decrease further as most farmers have sold out their stock (almost 80 percent). The rest marketable surplus would hit the market in Nov-Dec when prices are expected to rule the highest level. This may support price once again.

Country Wise Demand For Castor Oil:

Big buyers like China, EU and US would continue to buy oil with higher pace. Total import by China may cross 2.2 lakh tonne this year. This hints monthly average buying by China at 18000 tonnes. EU countries would buy 10,000 tonnes of oil on an average monthly basis. China has brought over 60,000 tonnes of oil from April. EU buying in last three months up to June has touched 28550 tonne. US monthly buying has been steady at 4250 tonne.



Castor Meal Export:

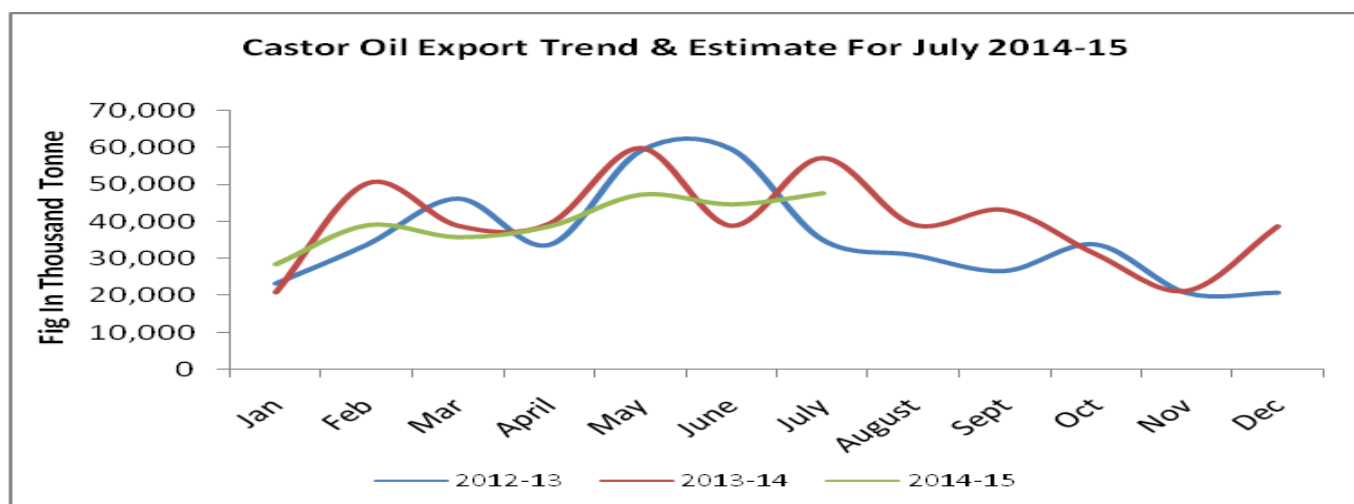


Note: July figure is awaited

Cash Market Price Outlook For Deesa Spot:

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	3950-4050	4050-4100
Medium Term (30 days)	4100-4150	4150-4250

Castor Oil Export Trend:

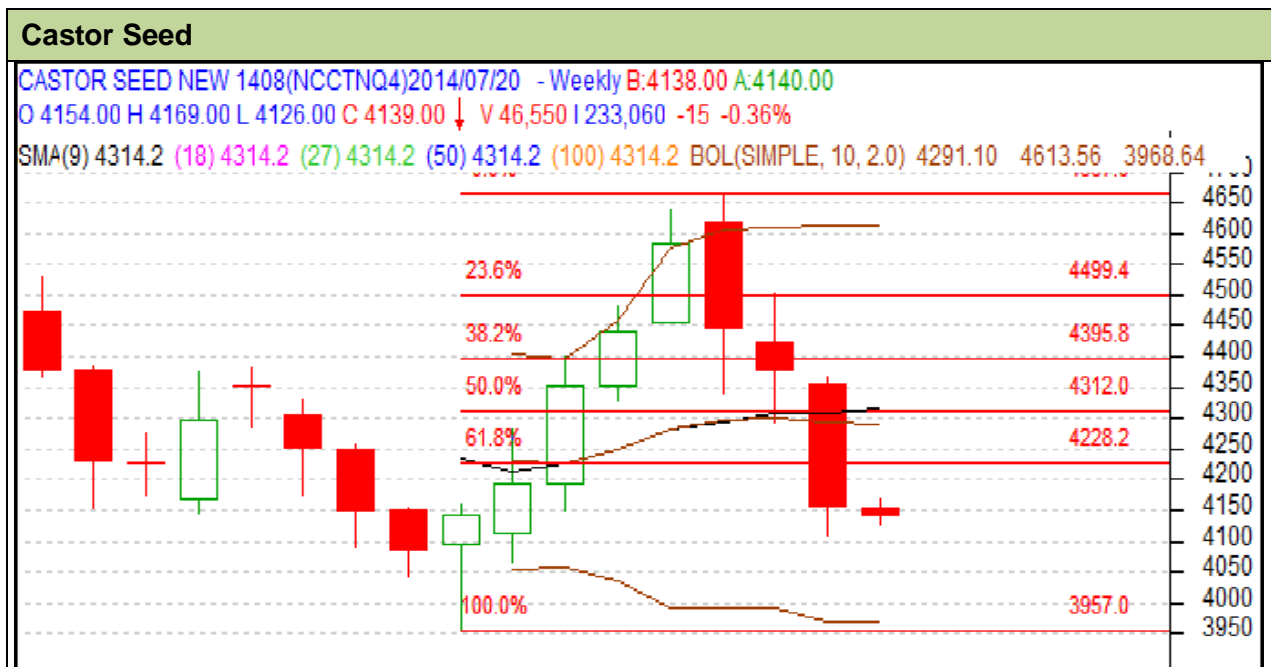


China, Netherland, Japan and USA remained the active buyers among others in the month of July. South Korea brought meal and oil too but in smaller quantity. Oil export in June was registered at 49,245 metric tonne as per IBIS data. In July export volume may increase further due to improvement in demand and total quantity may cross over 50,000 tonne. FOB quote for export for the week registered at \$1475 per tonne from \$1500 per tonne in previous week.

Comparative Prices Of Castor Products Including Seed					
	11th July'14	4th July'14	11th June'14	11th July'13	Change % from last year
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	43000	43150	40000	35254	18.01
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	110	115	110	95	13.64
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	6300	6350	6250	5289	16.05
Castor Oil (First Grade) FOB Kandla (Export)	1475	1500	1400	1264	14.31
Local rates in domestic market(Rs./M.T.) for comm.	87000	88000	81500	72067	17.16

Note : Data for July third week is awaited

Technical Analysis:



Technical Commentary:

- Candlestick chart shows bearish tone in market.
- RSI moving down in neutral region favours bears.
- Momentum indicator MACD is in negative territory cautions bulls.
- The nearest by support is 4100 while first resistance 4228.
- Stake Holders are advised to sell on rise.

Strategy: **Sell On Rise**

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Maize	NCDEX	Aug	4100	3957	4142	4228	4312
Pre-Market Intraday Trade Call*			Call	Entry	T1	T2	SL
Maize	NCDEX	Aug	Sell	Below 4225	4100	4050	4250

Castor Seed Weekly Prices on 18.7.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			18-Jul-14	11-Jul-14	
Castor Seed	Rajasthan	Sumerpur	3900	4060	-160
		Jodhpur	3800	NA	-
	Gujarat	Rajkot	3900	4025	-125
		Gondal	4100	4080	20
		Patan	4085	4270	-185
		Deesa	4050	4235	-185
		Mehsana	4050	4175	-125
		Kadi	4035	4200	-165
		Ahmedabad	4050	4175	-125

Castor Price Weekly						
Commodity	Center	Market	Price (Rs/Q)			
			Today	Week Ago	Month Ago	6 Month Ago
			18-Jul-14	11-Jul-14	18-Jun-14	18-Jan-14
Castor Seed	Rajasthan	Sumerpur	3900	4060	3850	3925
		Jodhpur	3800	NA	3800	NR
	Gujarat	Rajkot	3900	4025	3920	3910
		Gondal	4100	4080	3955	NR
		Patan	4085	4270	4105	4165
		Deesa	4050	4235	4045	4300
		Mehsana	4050	4175	4020	NR
		Kadi	4035	4200	4105	NR
		Ahmedabad	4050	4175	4125	NR

Castor Seed Weekly Arrivals Scenario on 18.7.2014

Commodity	Center	Market	Fig. in Quintal		Change %
			18-Jul-14	11-Jul-14	
Castor Seed	Rajasthan	Sumerpur	1040	920	13.04
		Jodhpur	480	640	-25.00
	Gujarat	Rajkot	1594	2566	-37.88
		Gondal	1510	1910	-20.94
		Patan	9476	26350	-64.04
		Deesa	5976	4826	23.83
		Mehsana	4040	5680	-28.87
		Kadi	5134	7969	-35.58
		Other Gujarat	63470	104699	-39.38
	Total Arrival		92720	155560	-40.40

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