

Castor Domestic Fundamentals: -

- **Seed market remains reeling under pressure during the week under review** despite slight recovery recorded at the end of the week. Sowing is auguring well and expected to get momentum in the first week of August. Major markets like Sumerpur, Gondal, Kadi prices declined in the range of Rs25 to Rs 170 per qtl. Market participants expect market to trade lower this week too. Lower demand for castor products and normal sowing activities remain the price limiting factors.
- **Castor seed x-mandi price in Gujarat declined from Rs 42500 to Rs 42100** per tonne during last one week. Price of seed was hovering near 44000 per tonne at the last week of June. Despite considerable dip in cash market price during last three weeks, it is still ruling higher by 16.26 percent in comparison to price realized in July 2013. As prices are ruling lower fresh demand for castor products may emerge by mid August and lend support to the cash market fundamentals once again.
- **Seed arrivals in various markets have decreased considerably** in all major trading hubs during the week under review except Rajkot and Patan. In these two markets arrivals increased by 2.51 and 1.63 percent. As lean season starts arrival is bound to decline further in the weeks ahead. Major stockists, whole sellers and others would like to retain stock till October and release it in parts. This may create short supply in the medium term.
- **Castor meal FOB is being quoted at Rs 6225 per tonne, slightly lower** (Rs 6250 per tonne) than last week. However, it is 15.04 percent higher than the price realized during 25th July 2013. FOB Quote for Castor oil first grade at Kandla has decreased from \$1460 to \$1430 per tonne in last one week. However, it is almost 11.61 percent higher than the price realised in 25th July 2013. Firmness would depend on rainfall status in the month of August. Castor meal export price for bulk quantity increased slightly from \$107 to \$108 per tonne. It is higher by 12.04 percent from 25th 2013. More dip is unlikely from current level.
- **Till last week (18.07.2014) area coverage under castor seed was registered at 0.71 lakh ha.** against 0.86 thousand ha. last year till date. Normal area under castor seed for the whole year is 10.37 lakh ha. Area under castor seed is slightly lagging behind due to late rainfall. As rainfall status has improved better recovery for sowing is expected in August.
- **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 outlook for seed market remains steady to slightly weak** this week. Buyers may enter into the market by the mid of August. Players should wait for a week to go for any buying in futures contract at this point of time. However, medium term outlook seems bullish.

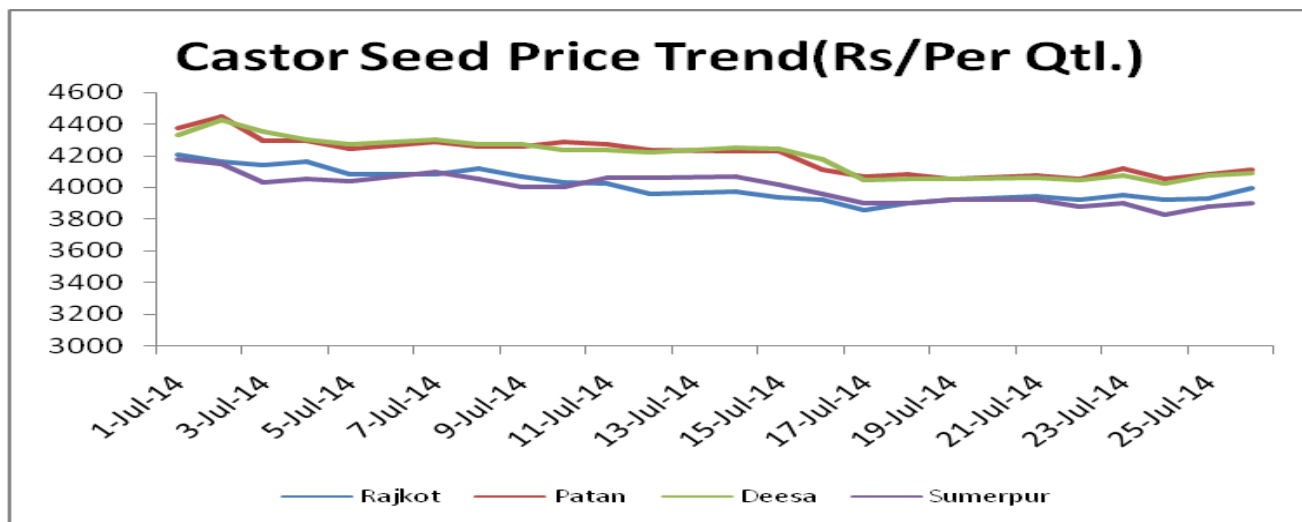
International Market Update:

- **FoB quote for castor oil at Kandla has declined from \$1460 to \$1430** for export in last one week. Price has decreased almost \$30 per tonne in last one week as seed prices declined on weak inner tonne. Buyers like China, EU and Japan may enter in to the market from mid August.
- **Demand for castor meal 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 increased slightly by \$1 to \$108 per tonne from last week.
- **Price of castor oil in Rotterdam too has decreased from \$1755 to \$1705** per metric tonne during last two weeks. 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 is increasing at the rate of 7 to 8 percent per year.
- **US and Chinese buyers may enter into the market by the end of August** for fresh buying as they have stock only for a month's requirement.

Domestic market Outlook:

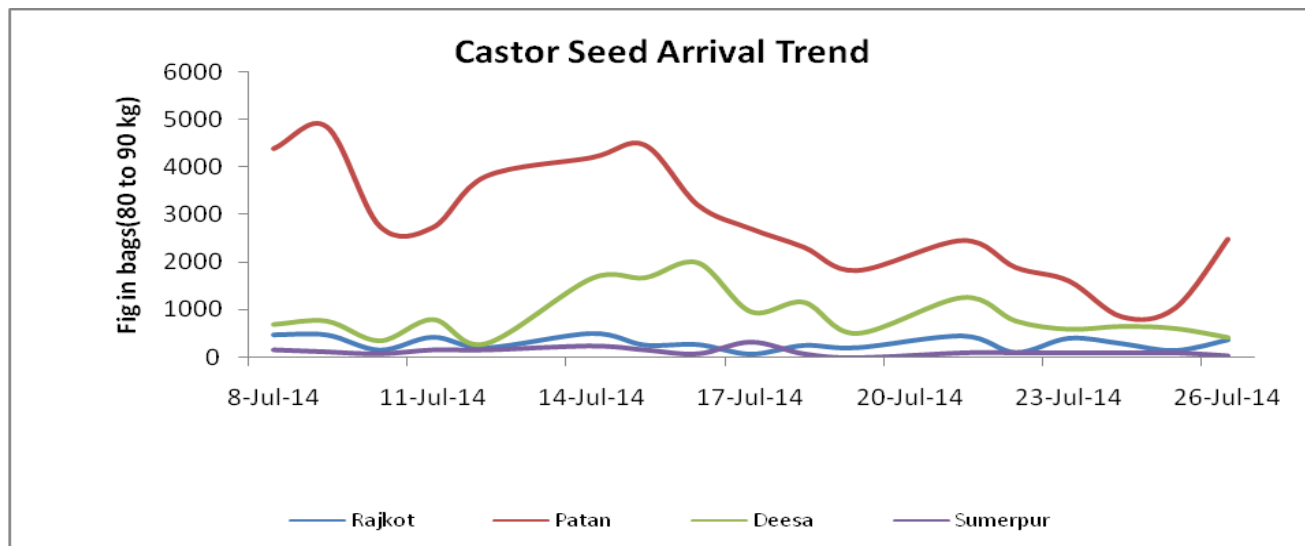
Market is likely to trade steady to slightly weak on subdued demands for castor products.

Castor Seed Price Chart:



Cash market traded slightly up during the fourth week of July despite considerable dip in last two weeks in major bench mark markets. Market participants expect market to stay steady this week as sellers are reluctant to release stock at current level. As stock retention by major group would continue, cash market may improve in the weeks ahead.

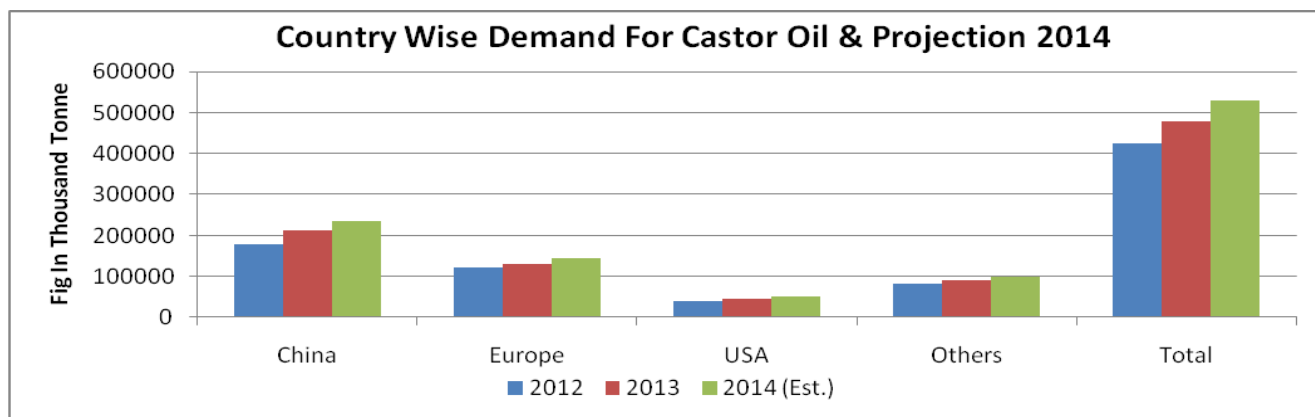
Castor Seed arrival Chart:



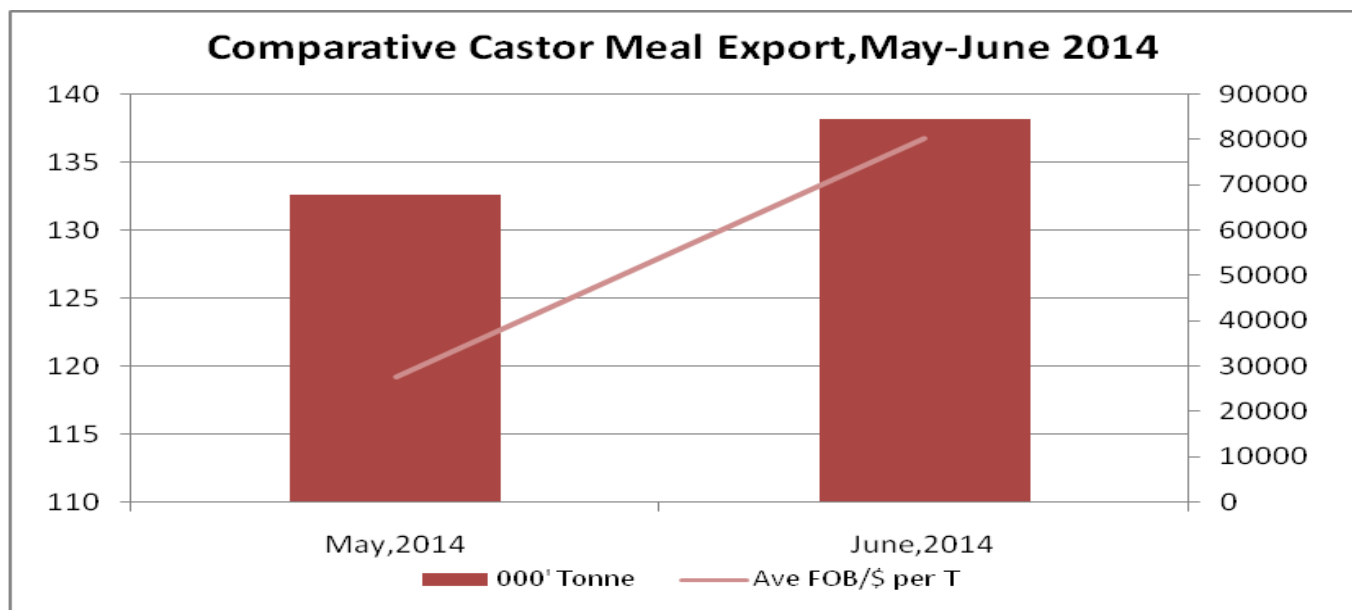
Castor seed arrivals have increased considerably in Patan and Rajkot in the week under review. However, in other markets like Deesa and Sumerpur it has decreased marginally. Now arrivals would decrease further as most farmers have sold out their stock (almost 85 percent). The rest marketable surplus 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:

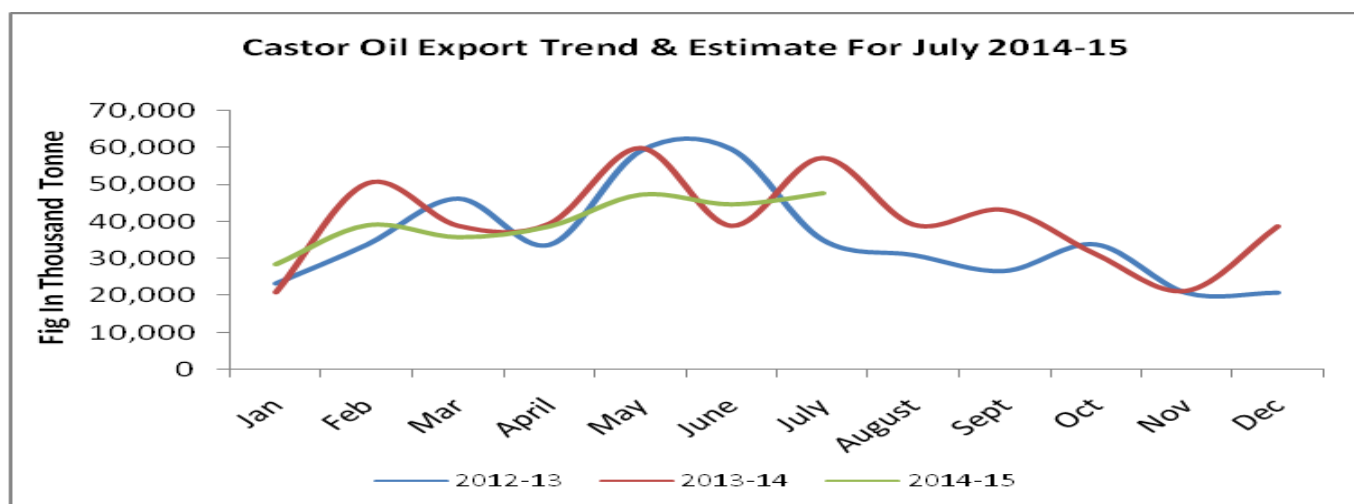


Note: July figure is awaited

Cash Market Price Outlook For Deesa Spot:

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	4050-4100	4100-4150
Medium Term (30 days)	4150-4200	4200-4250

Castor Oil Export Trend:

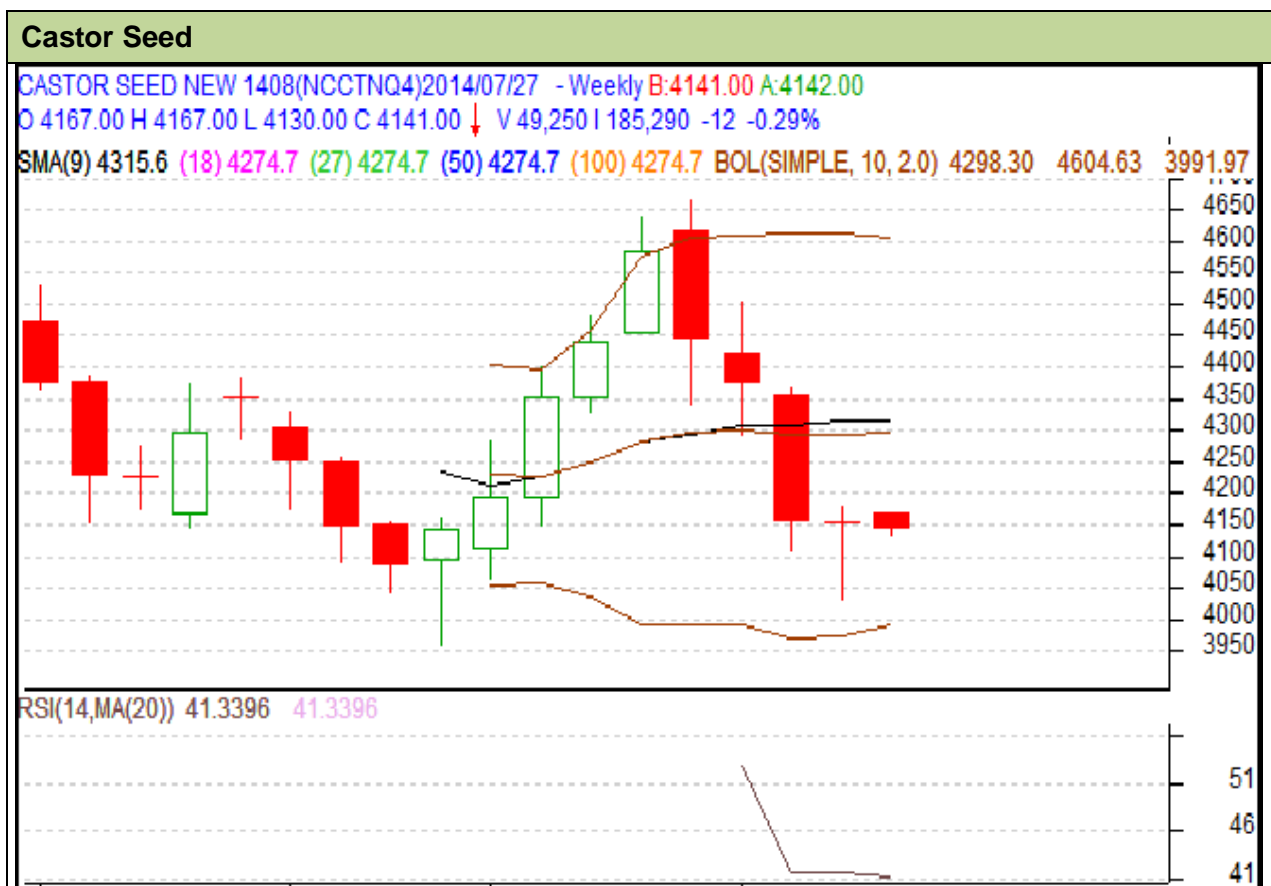


China, Netherland, Japan and USA remained the active buyers among others in the month of July. South Korea brought meal and oil too but in smaller quantity. Oil export in June was registered at 49,245 metric tonne as per IBIS data. In July export volume may increase further due to improvement in demand 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					
	25th July'14	18th July'14	25th June'14	25th July'13	Change % from last year
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	42100	42500	44000	35254	16.26
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	108	107	115	95	12.04
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	6225	6250	6350	5289	15.04
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1430	1460	1510	1264	11.61
Local rates in domestic market(Rs./M.T.) for comm.	84500	85000	86500	72067	14.71

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 4076 while first resistance 4300.
- Stake Holders are advised to sell on rise.

Strategy: **Sell On Rise**

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Maize	NCDEX	Aug	4076	4000	4143	4224	4305
Pre-Market Intraday Trade Call*			Call	Entry	T1	T2	SL
Maize	NCDEX	Aug	Sell	Below 4200	4125	4075	4225

Castor Seed Weekly Prices on 25.7.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			25-Jul-14	18-Jul-14	
Castor Seed	Rajasthan	Sumerpur	3875	3900	-25
		Jodhpur	3750	3800	-50
	Gujarat	Rajkot	3930	3900	30
		Gondal	3930	4100	-170
		Patan	4080	4085	-5
		Deesa	4075	4050	25
		Mehsana	4040	4050	-10
		Kadi	3985	4035	-50
		Ahmedabad	4050	4050	Unch

Castor Price Weekly						
Commodity	Center	Market	Price (Rs/Q)			
			Today	Week Ago	Month Ago	6 Month Ago
			25-Jul-14	18-Jul-14	25-Jun-14	25-Jan-14
Castor Seed	Rajasthan	Sumerpur	3875	3900	4150	3725
		Jodhpur	3750	3800	4000	NR
	Gujarat	Rajkot	3930	3900	4225	3760
		Gondal	3930	4100	4255	3855
		Patan	4080	4085	4370	3920
		Deesa	4075	4050	4260	3950
		Mehsana	4040	4050	4325	4500
		Kadi	3985	4035	4325	3900
		Ahmedabad	4050	4050	4300	4000

Castor Seed Weekly Arrivals Scenario on 25.7.2014

Commodity	Center	Market	Fig. in Quintal		Change %
			25-Jul-14	18-Jul-14	
Castor Seed	Rajasthan	Sumerpur	480	1040	-53.85
		Jodhpur	320	480	-33.33
	Gujarat	Rajkot	1634	1594	2.51

Castor Weekly Report 28th July, 2014

	Gondal	1021	1510	-32.38
	Patan	9630	9476	1.63
	Deesa	3493	5976	-41.55
	Mehsana	2508	4040	-37.92
	Kadi	3296	5134	-35.80
	Other Gujarat	55618	63470	-12.37
	Total Arrival	78000	92720	-15.88

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