

Castor Domestic Fundamentals: -

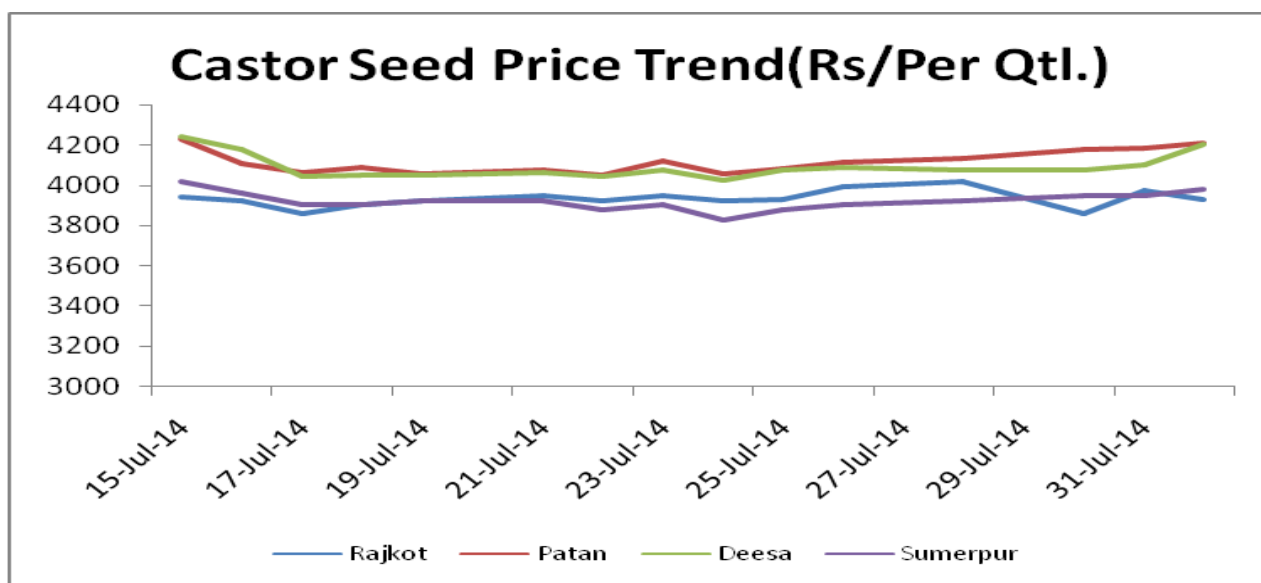
- **Castor market traded up after the 2nd half of the week ended on 2nd August, 2014.** Bears dominated the market during the first half of the week. However, sellers restricted their selling at lower level as they expect market to get firmer from mid of August. Buyer's fresh interest in castor products after two weeks sluggish demand and increasing fear of short supply of seed in the third quarter may lend support to the cash market fundamentals.
- **However, futures may move towards downward correction as** settlement of current month is round the corner. As demand of seed from planters continues as buyers offer higher price for the final products like oil/meals, any steep fall in cash market is unlikely. Stock retention by major players would continue and it would not allow market to fall beyond expectation. Overall, sentiments remain bullish in the third quarter.
- **Castor seed x-mandi price in Gujarat increased from Rs 42100 to Rs 43000** per tonne during last one week. Price of seed was hovering near 44000 per tonne at the last week of June. However, it was ruling at Rs 35454 per tonne in July 2013. As market is well aware of impending short supply, prices of seed might rule steady to firmer in the weeks ahead. Seed price in Gujarat rules 21.28 percent higher than July 2013. The gap would widen further.
- **Seed arrivals in all markets have decreased considerably** except Rajkot and Patan during the week under review. 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. Stock in the hands of farmers are 5 to 7 percent now and they would sell it Nov. onwards when prices usually rule higher.
- **Castor meal FOB is being quoted at Rs 6150 per tonne, slightly lower** (Rs 6225 per tonne) than last week. However, it is 12.50 percent higher than the price realized during 25th July 2013. FOB Quote for Castor oil first grade at Kandla has increased from \$1430 to \$1465 per tonne in last four days. However, it is almost 15.35 percent higher than the price realised in 25th July 2013. Castor meal export price for bulk quantity increased slightly from \$107 to \$108 per tonne. It is higher by 12.50 percent from 25th 2013. More dip is unlikely from current level.
- **Castor coverage area lags behind by 29.03 percent so far from last year.** Total area coverage till 31st July was recorded at 2.03 lakh ha. against 2.86 lakh ha last year till the end of July. Overall normal area for the whole year is 10.37 lakh ha. As weather remains favourable from sowing point of view now, market participants expect production to go up by 3 to 4 lakh T than last year, given the normal weather condition in August and Sept. Despite higher production prospects short supply of seed seems very much in the sight as new crop would hit market January Onward.
- **Govt has released third adv. Estimate of food grains 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. Govt's production target for 2014-15 has been set at 16.65 lakh tonne.
- **Overall outlook for seed market remains steady to firm** this week. Buyers for bulk buying may enter into the market by the mid of August. Players/stake holders may go for buying in futures contract in long months after a dip expected before current month's settlement.

International Market Update:

- **FoB quote for castor oil at Kandla has increased from \$1430 to \$1465** for export in last one week. Price has increased almost \$35 per tonne in last one week as seed prices increased amid lower arrivals at major trading hubs. Buyers like China, EU and Japan may enter in to the market from mid August for bulk buying.
- **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 first week of 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.

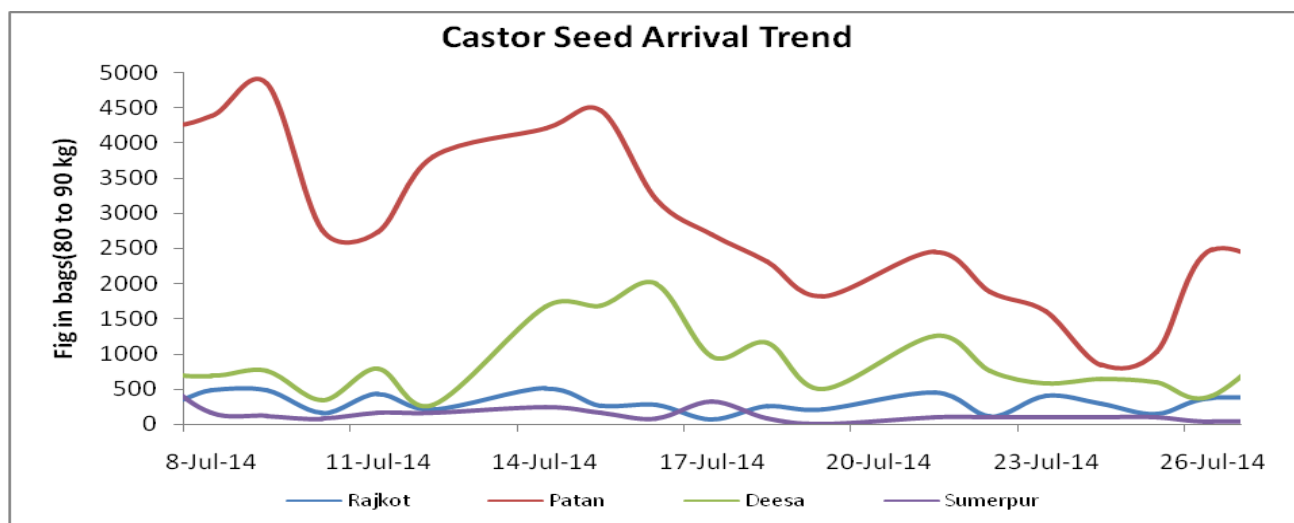
Domestic market Outlook: Market is likely trade steady to slightly firm.

Castor Seed Price Chart:



Cash market traded slightly up during the second half of the fourth week of July except Rajkot. Prices in Patan, Deesa, Sumerpur have increased and may move further up backed up by improved demand. Market participants expect market to stay steady to slightly firm 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.

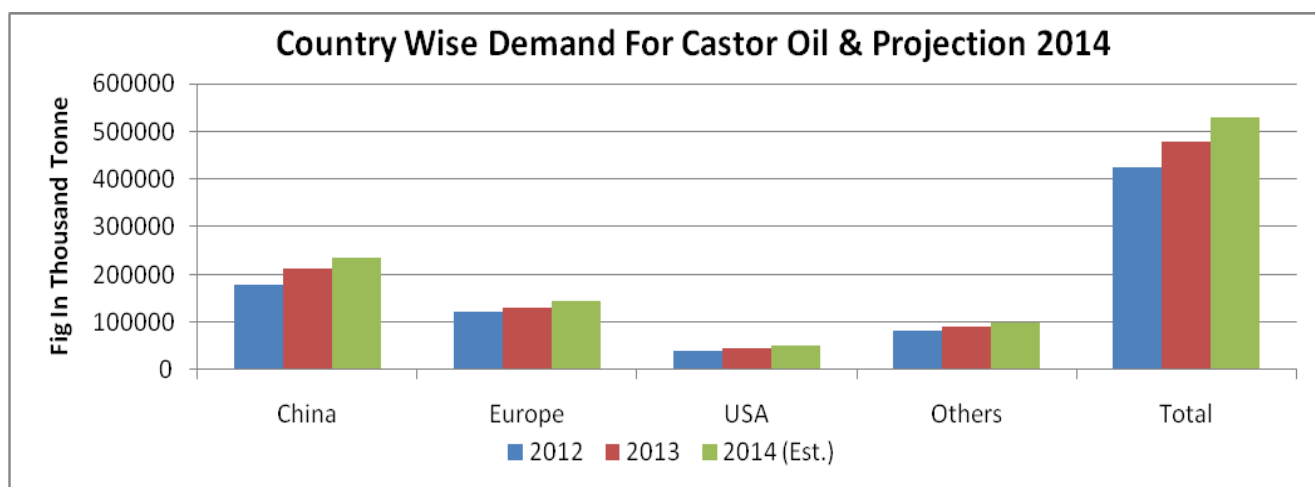
Castor Seed arrival Chart:



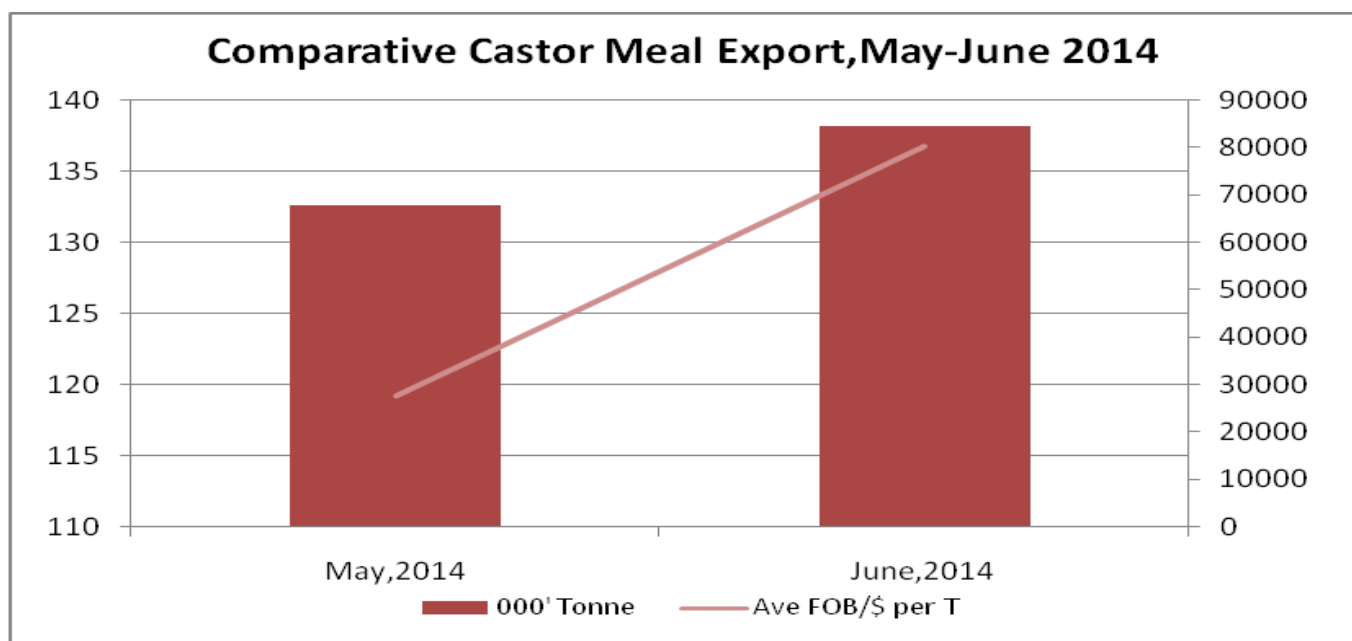
Castor seed arrivals have decreased considerably in major markets except Patan in the week under review. Now arrivals would decrease further as most farmers have sold out their stock (over 90 percent). The rest marketable surplus would hit the market in Nov-Dec when prices are expected to rule the highest 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.

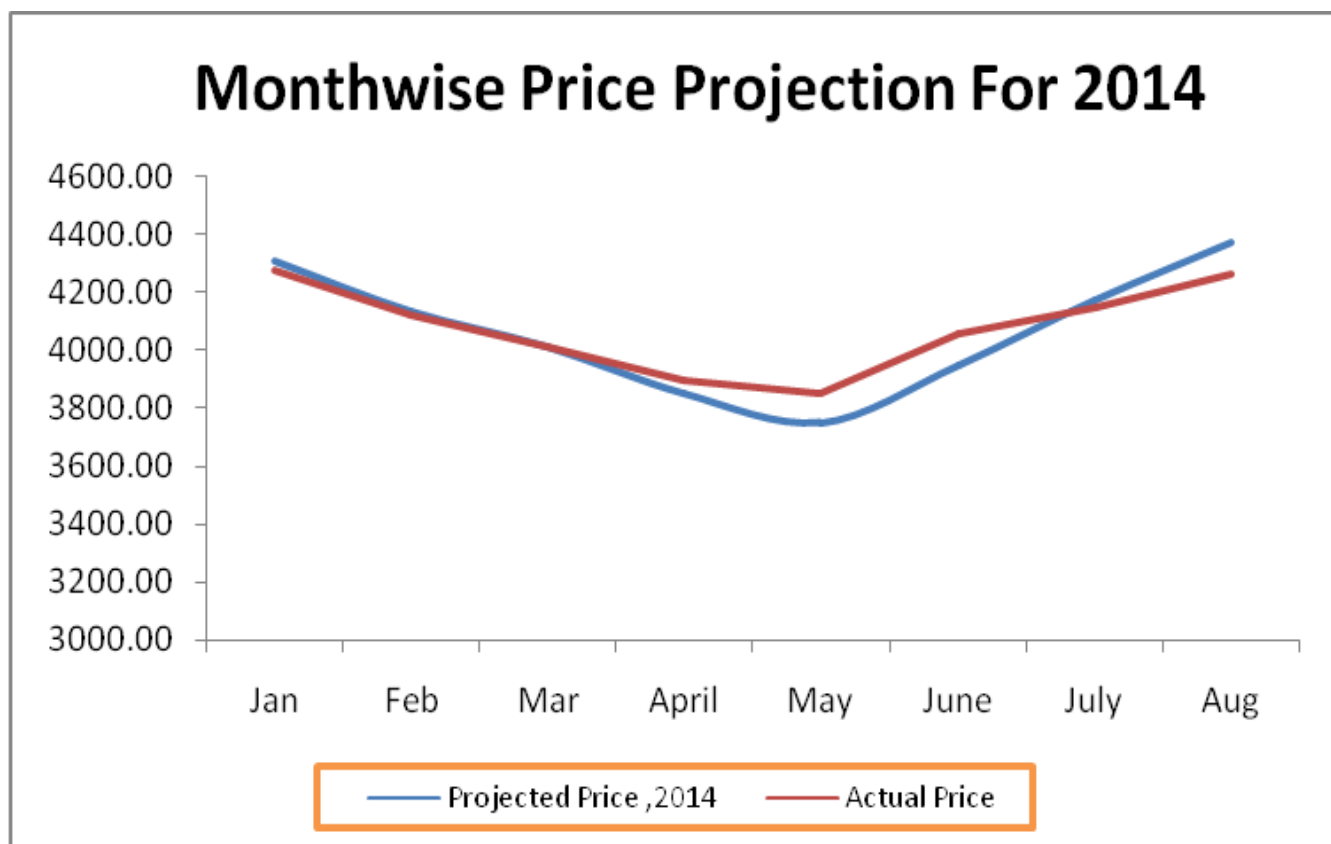


Castor Meal Export:



Note: July figure is awaited

Expected Price In August For Seed:

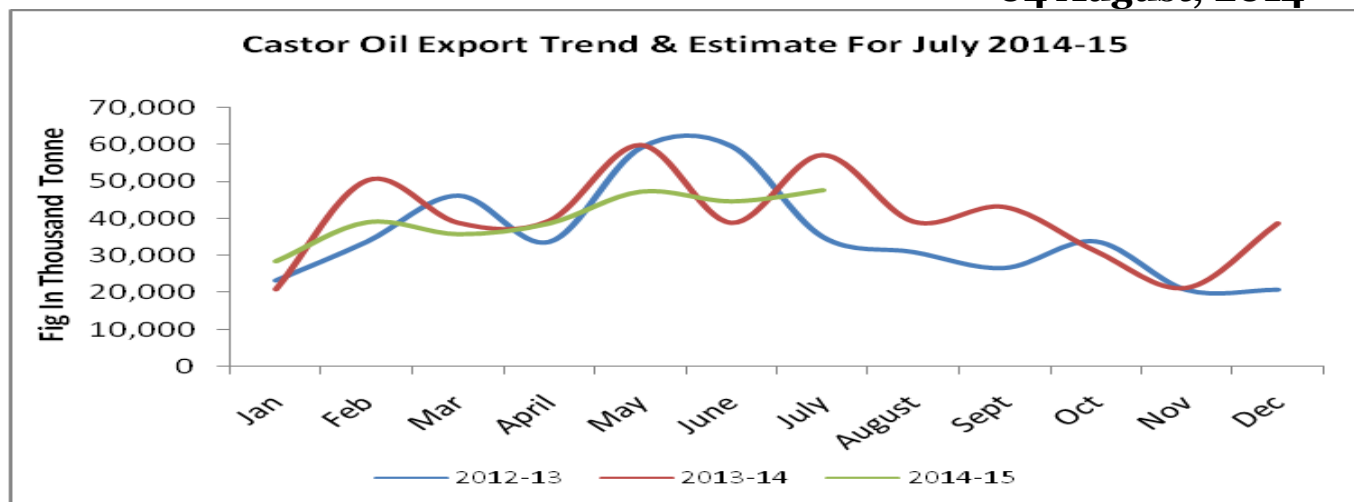


Blue line indicates projected price for seed based on seasonality and demand –supply factors concluded by Agriwatch. Red line indicates actual price movement in the market so far.

Cash Market Price Outlook For Deesa Spot:

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

Castor Oil Export Trend:

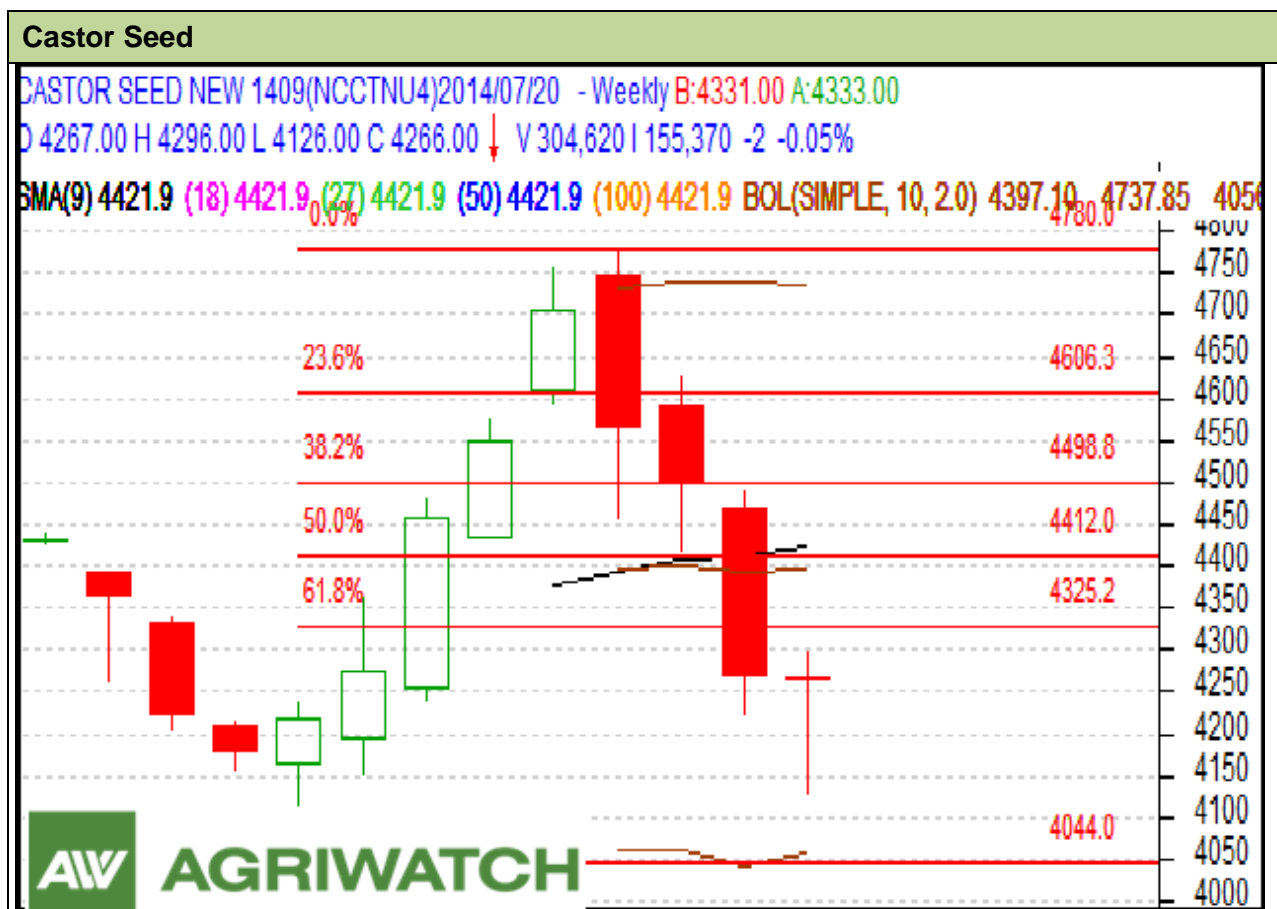


China, Netherland, Japan and USA remained the active buyers among others in the month of July. South Korea brought meal and oil too but in smaller quantity. Oil export in June was registered at 49,245 metric tonne as per IBIS data. In July export volume may increase further due to improvement in demand 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					
	31st July'14	25th July'14	25th June'14	31st July'13	Change % from last year
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	43000	42100	44000	35454	21.28
Castor Meal Export (FAS) (US\$ / MT), Ex Kandla	108	107	115	96	12.50
EXPORT (FOR) Ports (Rs./MT) Castor meal bulk Kandla	6150	6225	6350	5295	16.15
Castor Oil (First Grade) FOB Kandla (Export)\$ / Tonne	1465	1430	1510	1270	15.35
Local rates in domestic market (Rs./M.T.) for comm.	85000	84500	86500	72367	17.46

Source: SEA

Technical Analysis:



Technical Commentary:

- Candlestick chart shows bearish tone in market.
- RSI moving up in neutral region favours bulls.
- Momentum indicator MACD is in positive territory cautions bears.
- The nearest by support is 4201 while first resistance 4351.
- Stake Holders are advised to buy on dip.

Strategy: Buy on dip

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Maize	NCDEX	Sept	4201	4176	4266	4351	4412
Pre-Market Intraday Trade Call*			Call	Entry	T1	T2	SL
Maize	NCDEX	sept	buy	above 4205	4290	4350	4175

Castor Seed Weekly Prices on 1.8.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			1-Aug-14	25-Jul-14	
Castor Seed	Rajasthan	Sumerpur	3980	3875	105
		Jodhpur	3850	3750	100
	Gujarat	Rajkot	3930	3930	Unch
		Gondal	4055	3930	125
		Patan	4210	4080	130
		Deesa	4200	4075	125
		Mehsana	4150	4040	110
		Kadi	-	3985	-
		Ahmedabad	4100	4050	50

Castor Price Weekly						
Commodity	Center	Market	Price (Rs/Q)			
			Today	Week Ago	Month Ago	6 Month Ago
			1-Aug-14	25-Jul-14	1-Jul-14	1-Feb-14
Castor Seed	Rajasthan	Sumerpur	3875	3875	4175	3775
		Jodhpur	3750	3750	4100	-
	Gujarat	Rajkot	3930	3930	4210	3750
		Gondal	3930	3930	4205	3905
		Patan	4080	4080	4375	4055
		Deesa	4075	4075	4330	4010
		Mehsana	4040	4040	4275	3950
		Kadi	3985	3985	4315	3900
		Ahmedabad	4050	4050	4275	4000

Castor Seed Weekly Arrivals Scenario on 1.8.2014

Commodity	Center	Market	Fig. in Quintal		Change %
			1-Aug-14	25-Jul-14	
Castor Seed	Rajasthan	Sumerpur	32	480	-53.85
		Jodhpur	720	320	-33.33
	Gujarat	Rajkot	1752	1634	2.51
		Gondal	1081	1021	-32.38
		Patan	10914	9630	1.63
		Deesa	4010	3493	-41.55
		Mehsana	1360	2508	-37.92
		Kadi	1055	3296	-35.8
		Other Gujarat	32628	55618	-12.37
	Total Arrival		53552	78000	-15.88

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php> © 2014 Indian Agribusiness Systems Pvt Ltd.