

Castor Domestic Fundamentals: -

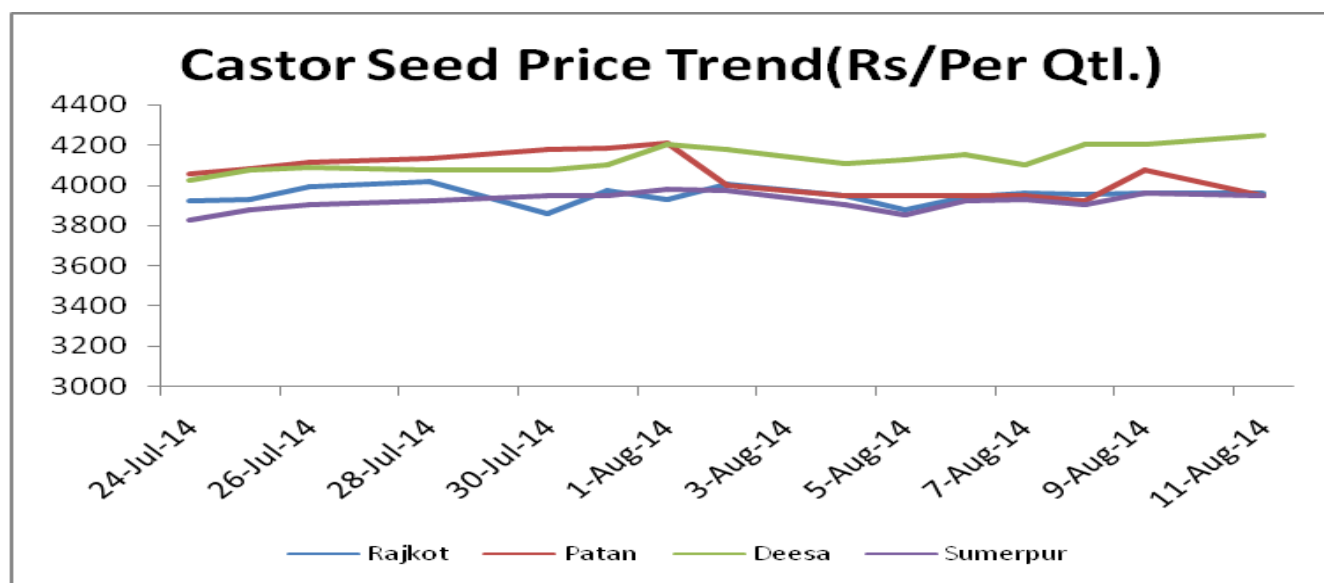
- **Castor seed market traded mixed during the week ended 9th August, 2014.** Considerable improvement in progressive sowing area, farmer's intention to shift some area from other water intensive crops and lower demand for castor seed products like oil and meal have restricted market to trade in a range during the week under review. Castor seed oil and meal prices declined from \$1460 to \$1430 per tonne while meal from Rs 6150 to Rs 6050 per tonne.
- **Futures market too traded range bound with weak bias** due to settlement for August contract being round the corner. Besides, bear operators activeness, weak demand for castor products and better coverage area (likely to be 10 % higher than last year) weighed on futures market. However, overall sentiments for medium term remain bullish as there is a visible short supply of seed from old crop. Arrivals from new crop would be available early next year.
- **Castor seed x-mandi price in Gujarat stayed steady at Rs 43000** per tonne during the week. Price of seed was hovering near 4325 per tonne in the first week of July. However, it was ruling at Rs 35135 per tonne in August 2013. As market is well aware of impending short supply, prices of seed might rule steady to firmer in the weeks ahead.
- **Seed arrivals in all markets have decreased considerably (75 to 80 percent)** during the week under review. Slower release by farmers and stockists amid buyer's unwillingness to buy in declining market has impacted inner tone negatively. 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 not before Nov. when prices usually rule higher.
- **Castor meal FOB is being quoted at Rs 6050 per tonne, slightly lower** (Rs 6150 per tonne) than last week. It is -1.33 percent lower than last week and 6.65 percent higher than the price realized during August 2014. FOB Quote for Castor oil first grade at Kandla has decreased from \$1460 to \$1430 per tonne in last one week. It has decreased 2.05 percent. However, it is almost 18.08 percent higher than the price realised in August 2013. Castor meal export price for bulk quantity too decreased slightly from \$108 to \$105 per tonne. It is higher by 9.38 percent from August, 2013.
- **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 slightly weak** in the short term. 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 decreased from \$1460 to \$1430** for export in last one week. Price has decreased almost \$30 per tonne in last one week as seed decreased despite 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 inactive FOB price is bound to stay steady in the third week of August. Export quote for meal decreased slightly by \$3 to \$105 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.

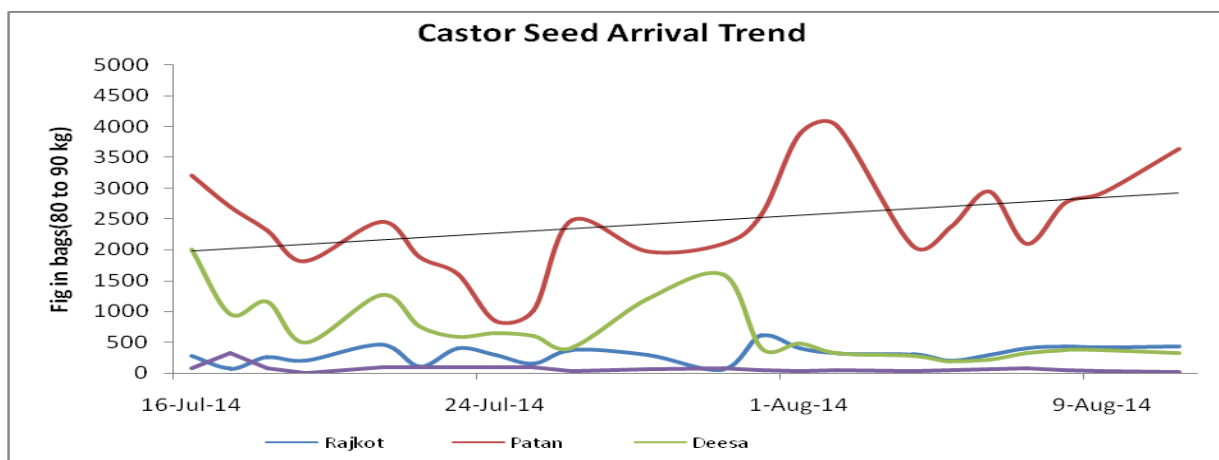
Domestic market Outlook: Market is likely trade steady to slightly firm.

Castor Seed Price Chart:



Cash market traded mixed during the first half of August. Prices in Patan, Rajkot, Sumerpur have decreased and may stay steady on weak demand. Market participants expect market to move range bound this week as sellers are reluctant to release stock at current level. However, stock retention by major groups may support cash market.

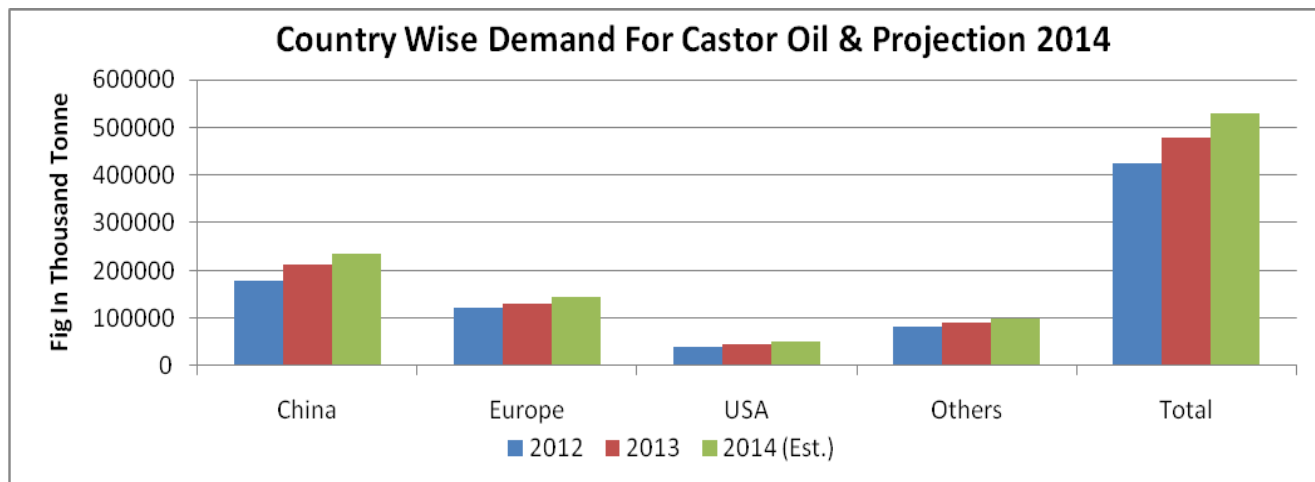
Castor Seed arrival Chart:



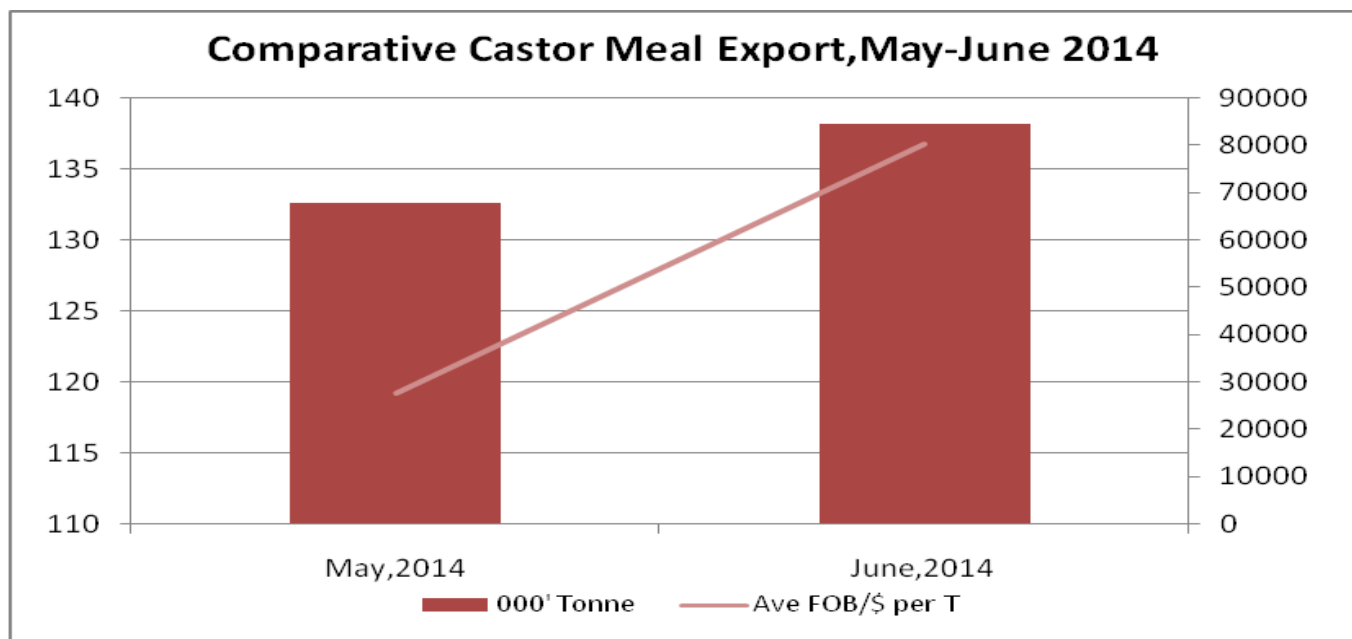
Castor seed arrivals have decreased considerably in major markets except Patan in the week under review. Now arrivals would decrease further as most farmers have sold out their stock (over 90 percent). The rest marketable surplus would hit the market in Nov-Dec when prices are expected to rule at the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

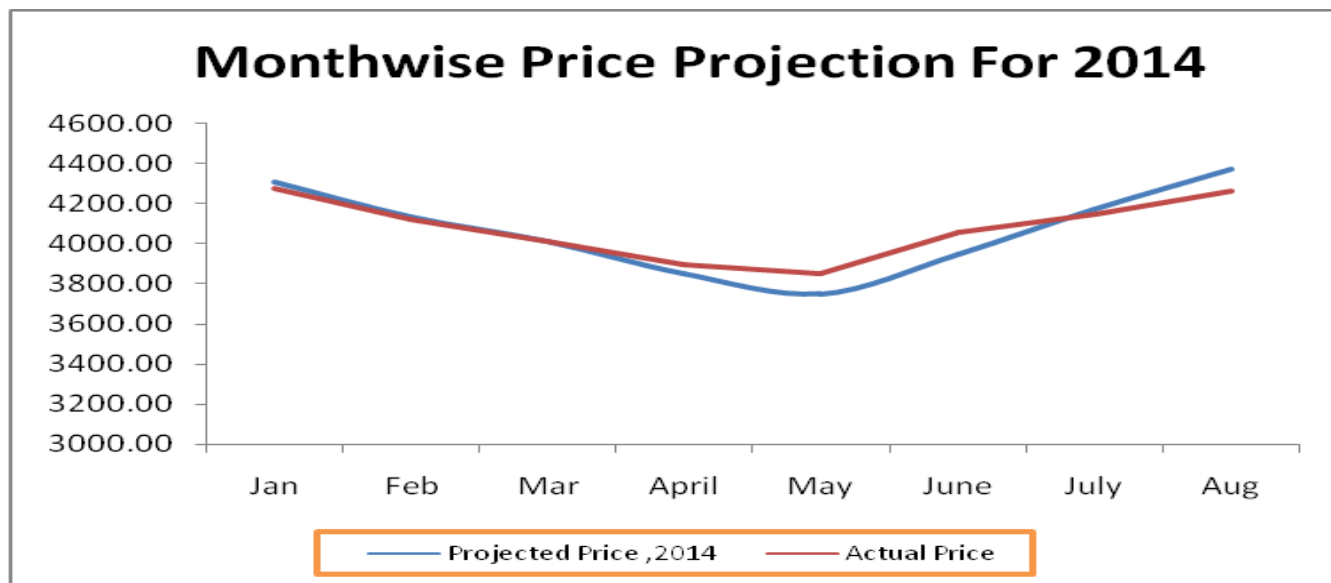


Castor Meal Export:



Note: July figure is awaited

Expected Price In August For Seed:

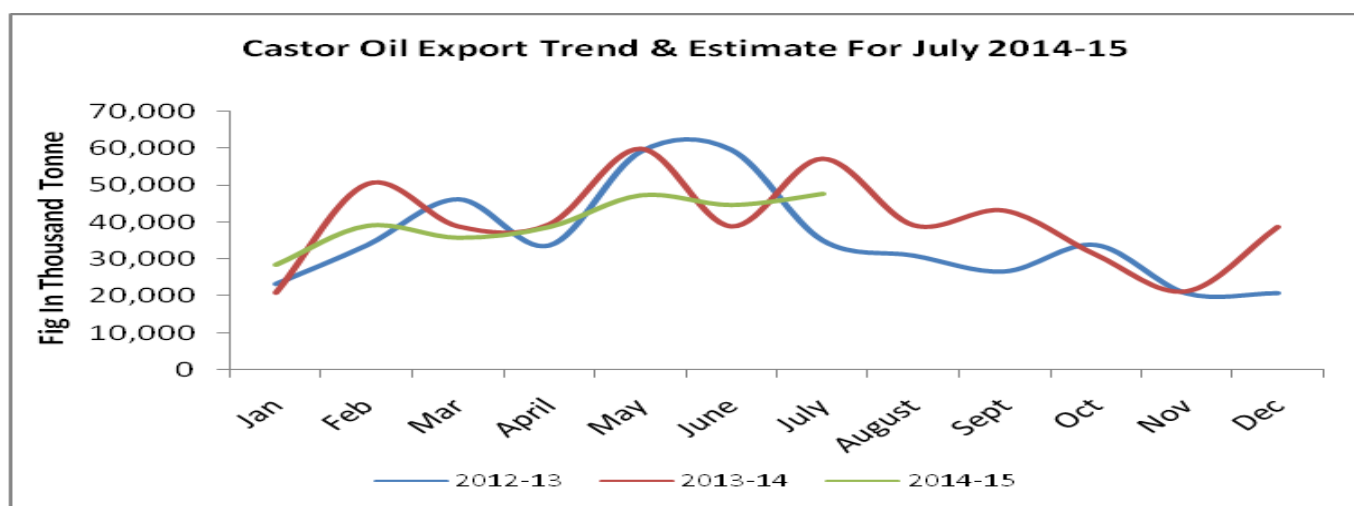


Blue line indicates projected price for seed based on seasonality and demand –supply factors concluded by Agriwatch. Red line indicates actual price movement in the market so far.

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					
	8 th Aug'14	1 st Aug'14	8 th July'14	Aug/Ave /2013	Change % from last year
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	43000	43000	43250	35114	22.46
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	105	108	115	96	9.38
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	6050	6150	6350	5684	6.44
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1430	1460	1510	1211	18.08
Local rates in domestic market(Rs./M.T.) for comm.	85000	85000	87700	72661	16.98

Source:SEA

Prices of castor seed and its products have decreased slightly from last week ,however they are ruling higher in comparison to last year average price of August. The above given table shows it clearly. As seed from NCDEX godowns are being lifted in considerable quantity, price is bound to move up from current level. Buyer's interest may be supportive for cash market fundamentals in the weeks ahead.

Technical Analysis:



Technical Commentary:

- Candlestick chart shows bearish tone in the futures market.
- RSI moving down in neutral region favours bears.
- Momentum indicator MACD is in positive territory cautions bears.
- The nearest by support is 4200 while first resistance 4351.
- Stake Holders are advised to buy on dip.

Strategy: Buy on dip

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Castor Seed	NCDEX	Sept	4200	4150	4225	4351	4412
Pre-Market Intraday Trade Call*			Call	Entry	T1	T2	SL
Castor Seed	NCDEX	Sept	buy	above 4201	4290	4350	4170

Castor Seed Weekly Prices on 8.8.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			8-Aug-14	1-Aug-14	
Castor Seed	Rajasthan	Sumerpur	3900	3980	-80
		Jodhpur	3900	3850	50
	Gujarat	Rajkot	3955	3930	25
		Gondal	4005	4055	-50
		Patan	4160	4210	-50
		Deesa	4200	4200	Unch
		Mehsana	4100	4150	-50
		Kadi	4075	-	-
		Ahmedabad	4075	4100	-25

Castor Price Weekly

Commodity	Center	Market	Price (Rs/Q)			
			Today	Week Ago	Month Ago	6 Month Ago
			8-Aug-14	1-Aug-14	8-Jul-14	8-Feb-14
Castor Seed	Rajasthan	Sumerpur	3900	3875	4050	3700
		Jodhpur	3900	3750	4000	3800
	Gujarat	Rajkot	3955	3930	4120	3725
		Gondal	4005	3930	4155	3780
		Patan	4160	4080	4255	3950
		Deesa	4200	4075	4275	3925
		Mehsana	4100	4040	4225	3900
		Kadi	4075	3985	4230	3900
		Ahmedabad	4075	4050	NR	3800

Castor Seed Weekly Arrivals Scenario on 8.8.2014

Commodity	Center	Market	Fig. in Quintal		Change %
			8-Aug-14	1-Aug-14	
Castor Seed	Rajasthan	Sumerpur	56	32	75.00
		Jodhpur	160	720	-77.78
	Gujarat	Rajkot	430	1752	-75.46
		Gondal	256	1081	-76.32
		Patan	2762	10914	-74.69
		Deesa	370	4010	-90.77
		Mehsana	320	1360	-76.47
		Kadi	720	1055	-31.75
		Other Gujarat	11142	32628	-65.85
	Total Arrival		16216	53552	-69.72

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.