

Castor Domestic Fundamentals: -

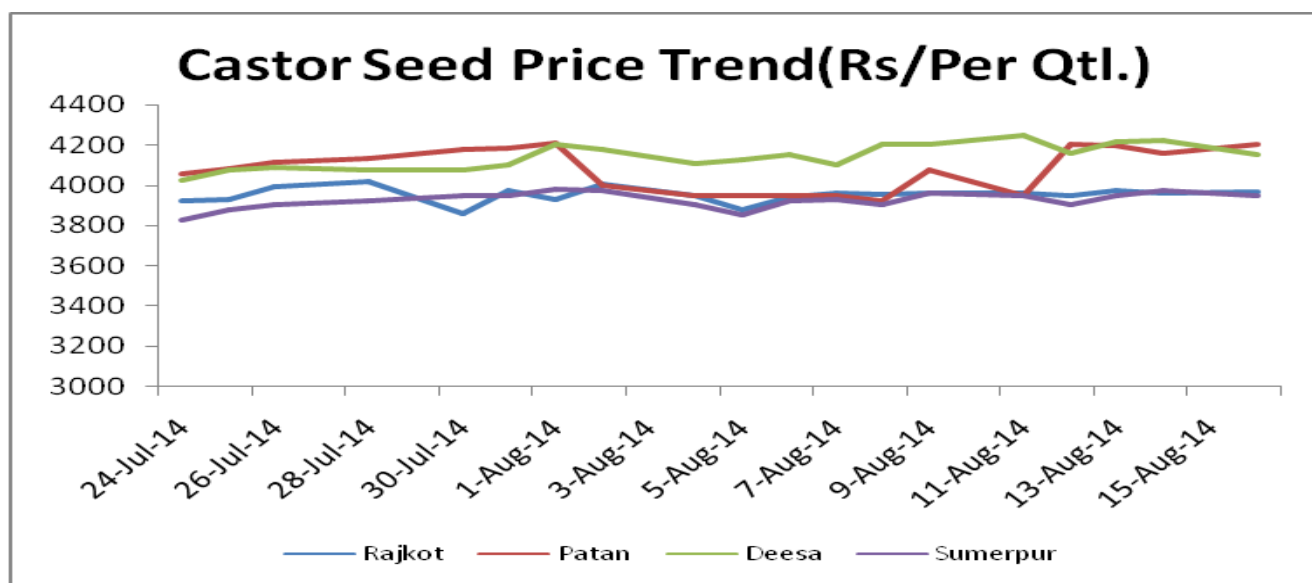
- **Castor seed market traded steady to slightly weak during** the week ended 16th August, 2014. Continuous holidays and resultantly lower trading activities remained in centre of price influencing factors. Improved area coverage too has impacted the price of seed. Cash market may trade lower this week as demand for castor products are at low ebb. Fresh buying interest may be seen by the end of this month.
- **Area coverage till 8th August has been registered at 3.59 lakh ha., slightly** higher than last year (3.54 lakh ha.) till date. Normal area for whole kharif season is 10.37 lakh ha. Area under castor seed is likely to increase at least by 9 to 10 percent from 9.83 to 10.54 lakh ha. in 2014-15. However, it would not impact price much in the third quarter, as new crop would hit market next year in January.
- **Castor seed x-mandi price in Gujarat has declined from Rs 43000** per tonne to Rs 42750 per tonne during the week. Price of seed was hovering near 43000 per tonne in the second week of July. However, it was ruling at Rs 35135 per tonne in August 2013, almost 17.86 percent lower than current price. Any major dip from current level is unlikely as stockists have preferred to hold stock than to sell it at lower price.
- **Castor meal FOR is being quoted at Rs 6300 per tonne, moderately higher** (Rs 6050 per tonne) than previous trading session. It is -1.25 percent lower than last week and 6.60 percent higher than the price realized during August 2014. FOB Quote for Castor oil first grade at Kandla has increased from \$1430 to \$1440 per tonne in last three days. However, it is almost 18.12 percent higher than the price realised in August 2013. Castor meal export price for bulk quantity too has increased slightly from \$105 to \$108 per tonne. It is higher by 9.35 percent from August, 2013.
- **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 August end. Players/stake holders may go for buying in futures contract in long months after expected dip of Rs 50 to Rs 75 per qtl.

International Market Update:

- **FoB quote for castor oil at Kandla has increased from \$1430 to \$1440** for export in last three days. Price has increased almost \$10 per tonne today despite lower quotes for seed. Buyers like China, EU and Japan may enter in to the market in second half of 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 increased slightly by \$2 to \$108 per tonne today.
- **Price of castor oil in Rotterdam too has increased from \$1705 to \$1730** per metric tonne during last one weeks. Buyers like EU, USA and China remain sidelined.
- **As buyers are well aware of emerging scenario of seed any steep** fall from current level is unlikely. No meal trade was reported during the week under review.

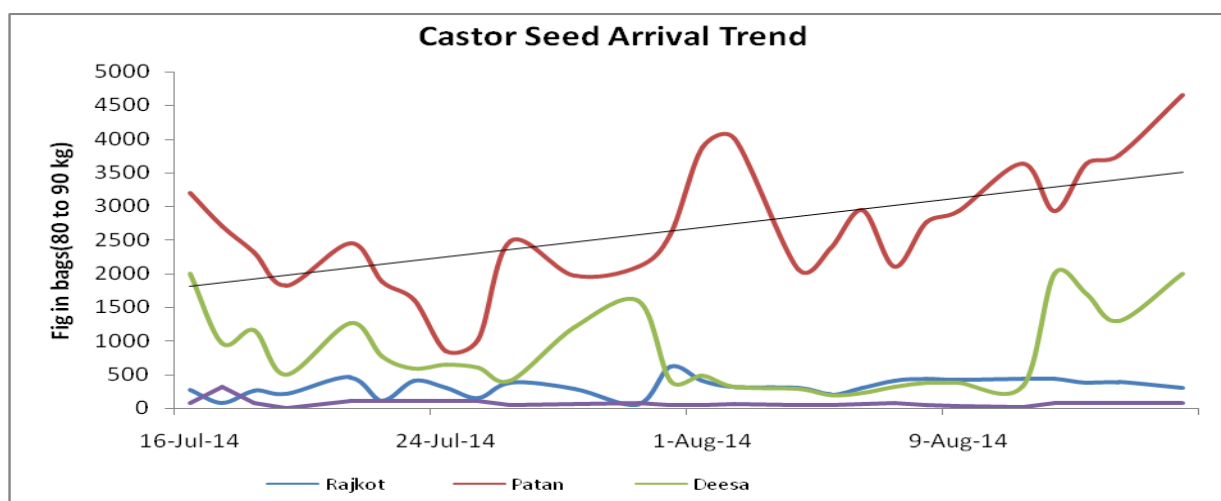
Domestic market Outlook: Market is likely trade steady to slightly weak.

Castor Seed Price Chart:



Cash market traded mixed during the third week of August . Prices in Patan, Rajkot, Sumerpur have stayed steady under normal supply-demand side. 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 by the end of this month.

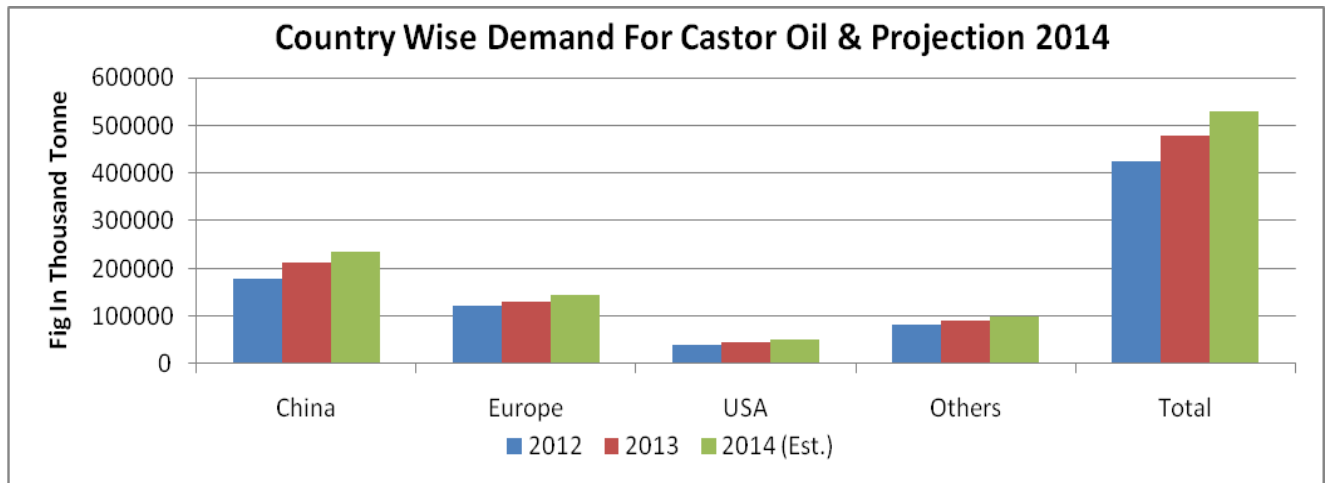
Castor Seed arrival Chart:



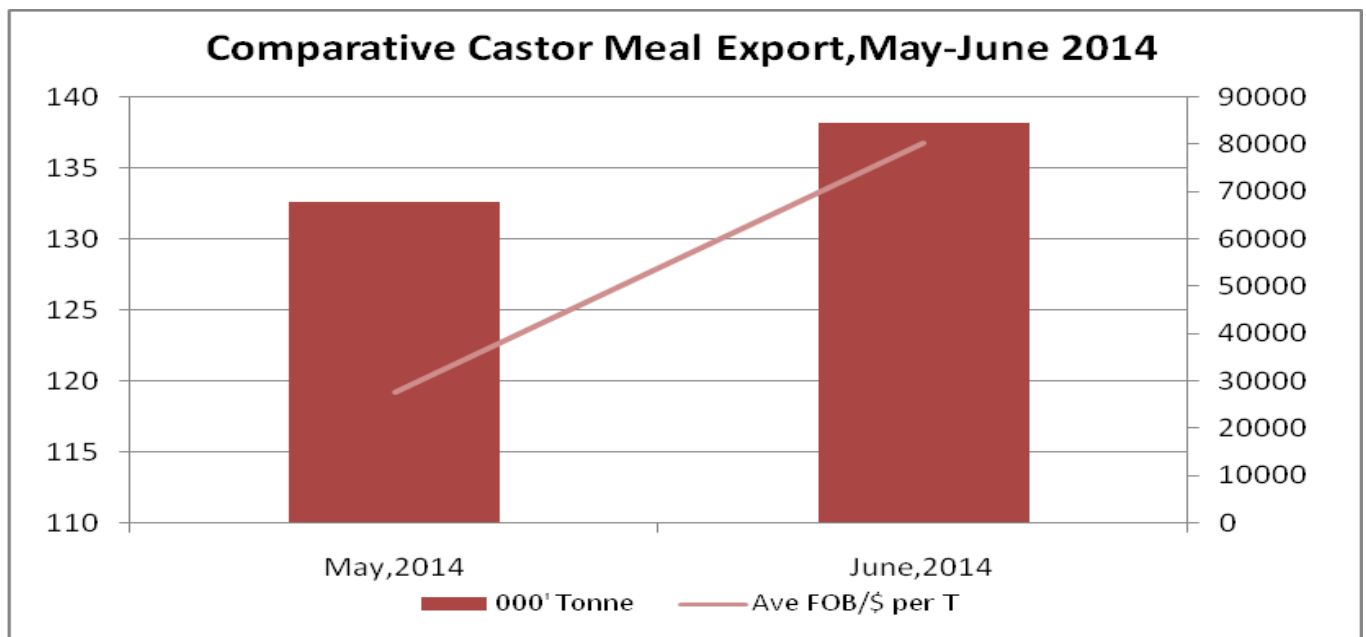
Castor seed arrivals have increased considerably in major markets like Deesa and Patan in the week under review. Now arrivals would decrease further as most farmers have sold out their stock (over 90 percent). The rest marketable surplus would hit the market in Nov-Dec when prices are expected to rule at the highest level. This may support price once again. However arrival in Sumerpur remained almost unchanged in the third week.

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.

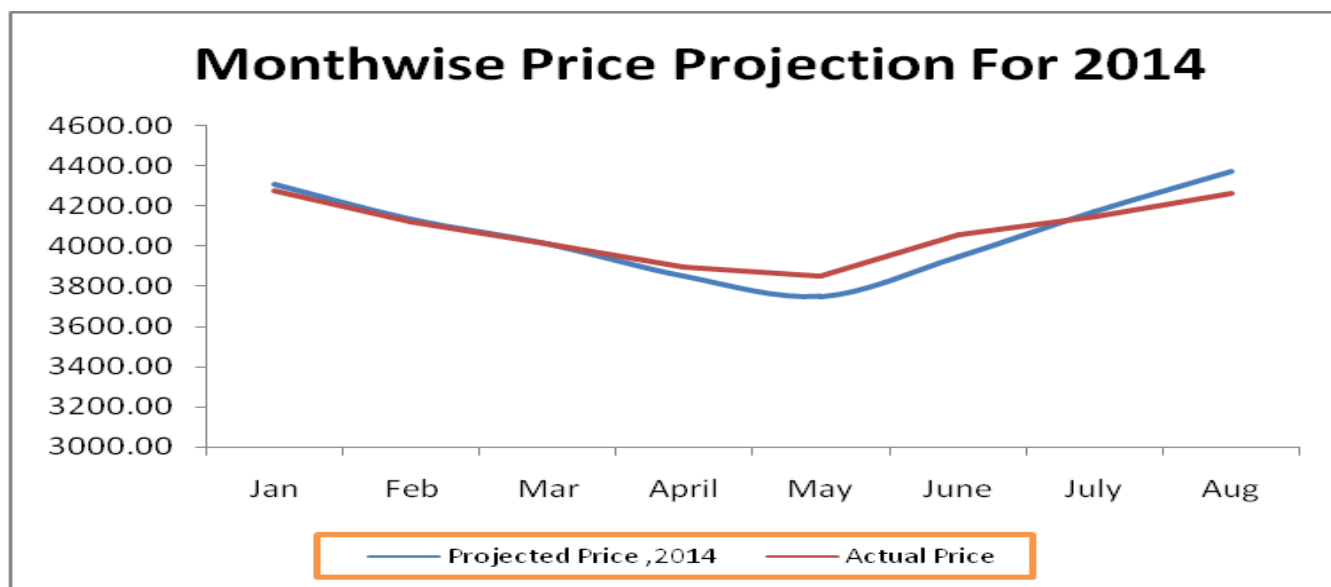


Castor Meal Export:



Note: July-August figure is awaited

Expected Price In August For Seed:

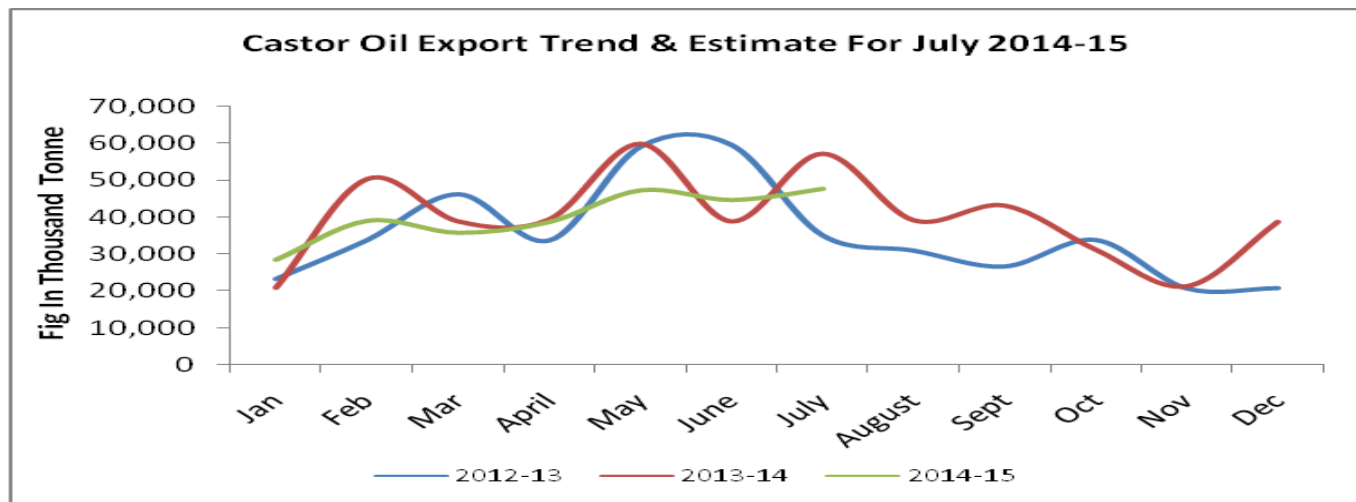


Blue line indicates projected price for seed based on seasonality and demand –supply factors concluded by Agriwatch. Red line indicates actual price movement in the market so far.

Cash Market Price Outlook For Deesa Spot:

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	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 \$1440 per tonne from \$1430 per tonne in previous week.

Comparative Prices Of Castor Products Including Seed					
	14 th Aug'14	8 st Aug'14	14 th July'14	Aug/Av e/2013	Change % from last year
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	42750	43000	43250	35114	17.86
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	108	105	110	96	11.11
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	6300	6050	6300	5684	9.78
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1440	1430	1475	1211	15.90
Local rates in domestic market(Rs./M.T.) for comm.	85000	85000	87000	72661	14.52

Source:SEA

Prices of castor seed and its products have increased 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 seeds from NCDEX godowns are being lifted in considerable quantity, price is bound to stay steady at current level . Buyer's interest may be supportive for cash market fundamentals at lower level 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 buy support is 4100 while first resistance 4310.
- Stake Holders are advised to buy on dip.

Strategy: Buy on dip

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Castor Seed	NCDEX	Sept	4100	4075	4150	4203	4310
Pre-Market Intraday Trade Call*			Call	Entry	T1	T2	SL
Castor Seed	NCDEX	Sept	buy	above 4101	4175	4200	4074

Castor Seed Weekly Prices on 14.8.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			14-Aug-14	8-Aug-14	
Castor Seed	Rajasthan	Sumerpur	3975	3900	75
		Jodhpur	4000	3900	100
	Gujarat	Rajkot	3960	3955	5
		Gondal	4030	4005	25
		Patan	Closed	4160	-
		Deesa	4220	4200	20
		Mehsana	4160	4100	60
		Kadi	4145	4075	70
		Ahmedabad	4125	4075	50

Castor Price Weekly						
Commodity	Center	Market	Price (Rs/Q)			
			Today	Week Ago	Month Ago	6 Month Ago
			14-Aug-14	8-Aug-14	14-Jul-14	14-Feb-14
Castor Seed	Rajasthan	Sumerpur	3975	3900	4065	3925
		Jodhpur	4000	3900	3900	NA
	Gujarat	Rajkot	3960	3955	3975	3855
		Gondal	4030	4005	4055	3830
		Patan	Closed	4160	4230	4095
		Deesa	4220	4200	4250	4080
		Mehsana	4160	4100	4175	4050
		Kadi	4145	4075	4085	4075
		Ahmedabad	4125	4075	4125	4075

Castor Seed Weekly Arrivals Scenario on 14.8.2014

Commodity	Center	Market	Fig. in Quintal		Change %
			14-Aug-14	8-Aug-14	
Castor Seed	Rajasthan	Sumerpur	280	192	45.8
		Jodhpur	1280	640	100.0
	Gujarat	Rajkot	1917	1650	16.2
		Gondal	3893	901	332.1
		Patan	14970	12237	22.3
		Deesa	5943	1393	326.6
		Mehsana	2248	1680	33.8
		Kadi	3584	3600	-0.4
		Other Gujarat	37045	52939	-30.0
	Total Arrival		71160	75232	-5.4

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