

Castor Domestic Fundamentals:-

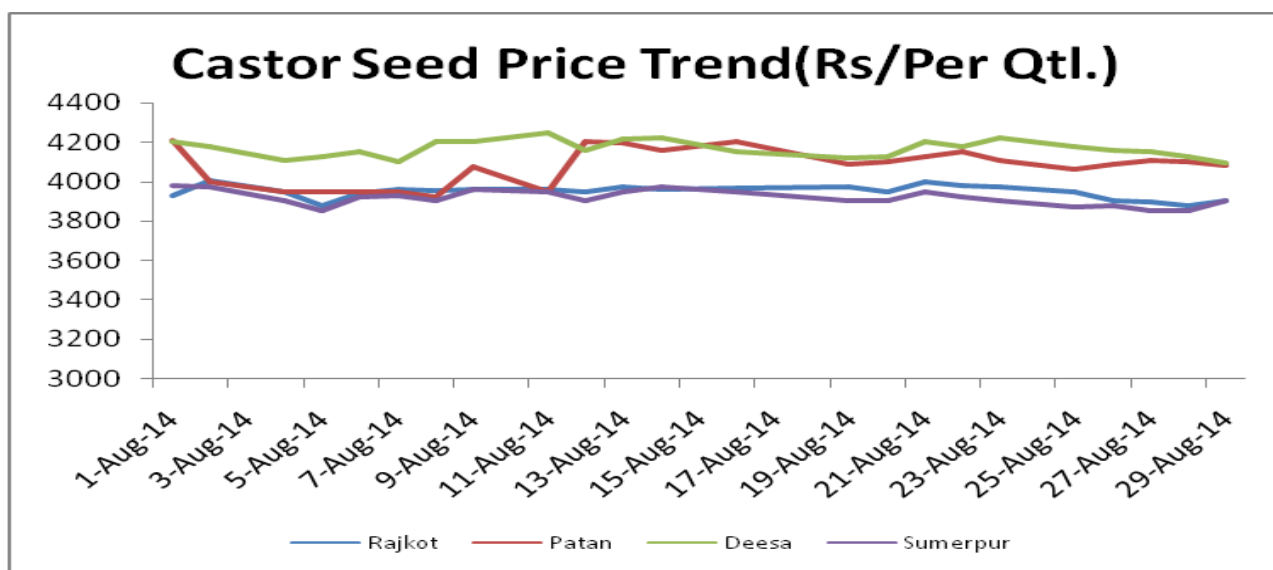
- **Castor seed market continues to trade under pressure during week** ended 30th August, 2014 on slowed down export demand for oil and oil meal. Planters restricted buying at higher price. Higher area coverage, better production prospects and expected early arrivals from Andhra Pradesh (Likely in Nov) have weakened inner tone of the market
- **Area coverage till 22nd August has been registered at 7.31 lakh ha., higher** than last year (4.90 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. Almost 70 percent of normal area has been covered so far.
- **Castor seed x-mandi price in Gujarat has declined from Rs 42000** per tonne to Rs 41750 per tonne during the week. Price of seed was hovering near 42500 per tonne in the fourth week of July. However, it was ruling at Rs 35114 per tonne in August, 2013, almost 18.90 percent lower than current price. Any steep fall 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 6250 per tonne, moderately lower** (Rs 6300 per tonne) than previous week. It is – 0.79 percent lower than last week and 9.96 percent higher than the price realized during August 2014. FOB Quote for Castor oil first grade at Kandla has decreased from \$1445 to \$1430 per tonne in last one week. However, it is almost 18.18 percent higher than the price realised in August 2013. Castor meal export price for bulk quantity too has decreased slightly from \$108 to \$107 per tonne. It is higher by 11.46 percent from August, 2013.
- **Market is expected to face short supply of seed in Oct.** Out of 15.8 lakh tonne seed available for crushing almost 8.5 lakh tonne seed has been crushed so far. Around 3 lakh tonne seed is available with big players who would prefer releasing seed in parts or may retain it for three –four months from now. Govt has released fourth adv. Estimate of food grains for 2013-14 on 14, August, 2014. The govt. has estimated 16.89 lakh tonne production this year against the target of 15.81 lakh tonne. Govt. Production target for 2014-15 has been set at 16.65 lakh tonne.
- **Overall market sentiments remain weak at least for the first fortnight** of Sept, 2014. Buyers are expected to enter into the market at lower level. At least Rs 100 per qtl. dip is expected in cash market from current level and buyers should wait for two weeks before going through any bulk purchases.

International Market Update:

- **FoB quote for castor oil at Kandla has decreased from** \$1440 to \$1430 for export last week. Price has decreased almost \$10 per tonne. Buyers like China, EU and Japan may enter into the market in second half of Sept 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 first week of Sept. Export quote for meal too decreased by \$1 to \$107 per tonne this week.
- **However, price of castor oil in Rotterdam has increased from** \$1725 to \$1729 per metric tonne during last one week. 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 for export was reported during the week under review.

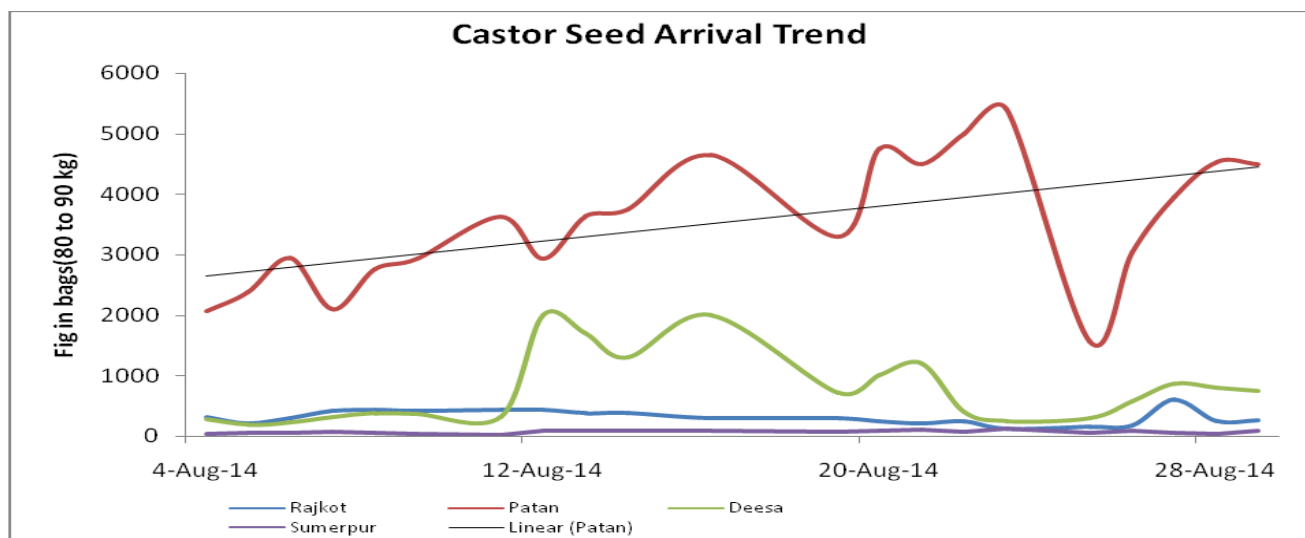
Domestic market Outlook: Market is likely trade steady to slightly weak.

Castor Seed Price Chart:



Cash market traded mixed during the fourth week of August. Prices in Patan and Deesa have decreased due to lower demand for castor products. Contrary to this prices increased in Sumerpur and Rajkot. Market participants expect market to move range bound this week with weak bias likely to continue despite sellers unwillingness to release stock at current level.

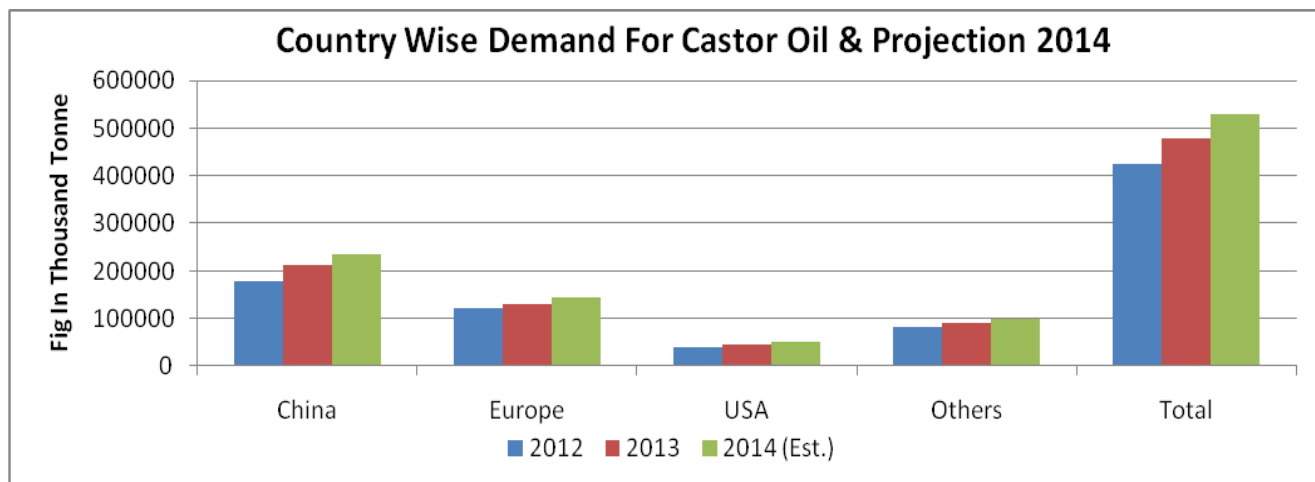
Castor Seed arrival Chart:



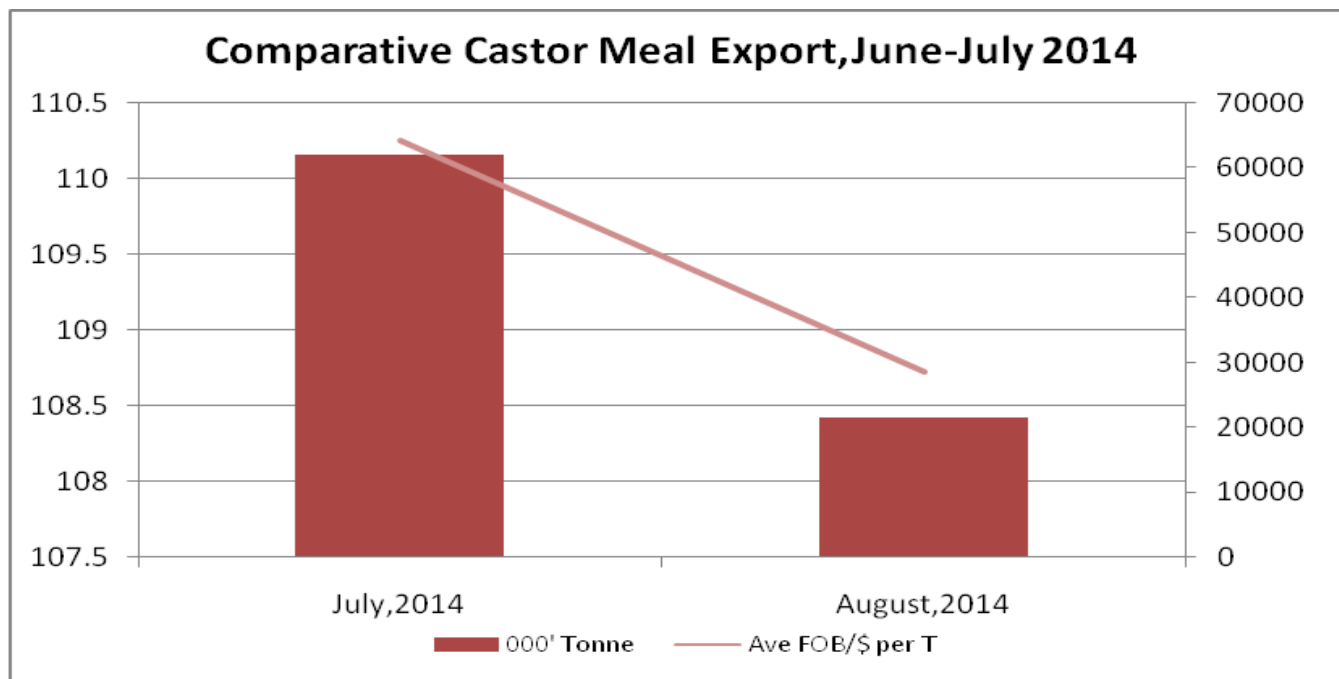
Castor seed arrivals in major mandis including Patan decreased slightly during the week under review. As prices have decreased, sellers may hold on stock for quite some time from now. This may support price once again. However, it may take times as inner tone remains weak at this point of time.

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.

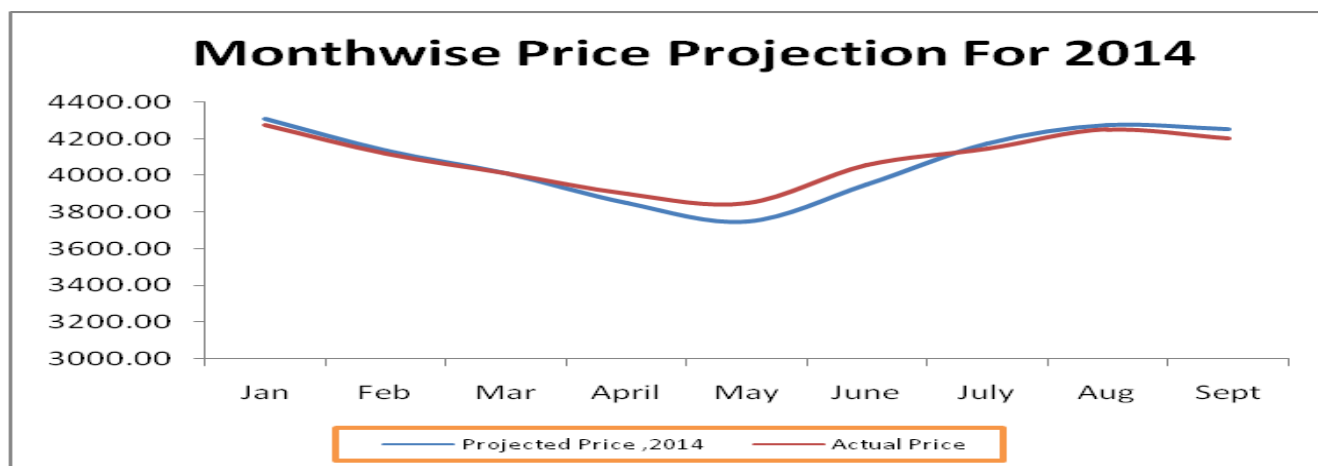


Castor Meal Export:



Note: No major trade in castor meal was reported in the third and fourth week of August. So Agriwatch has incorporated 1st and 2nd week data.

Expected Price In Sept. For Seed:

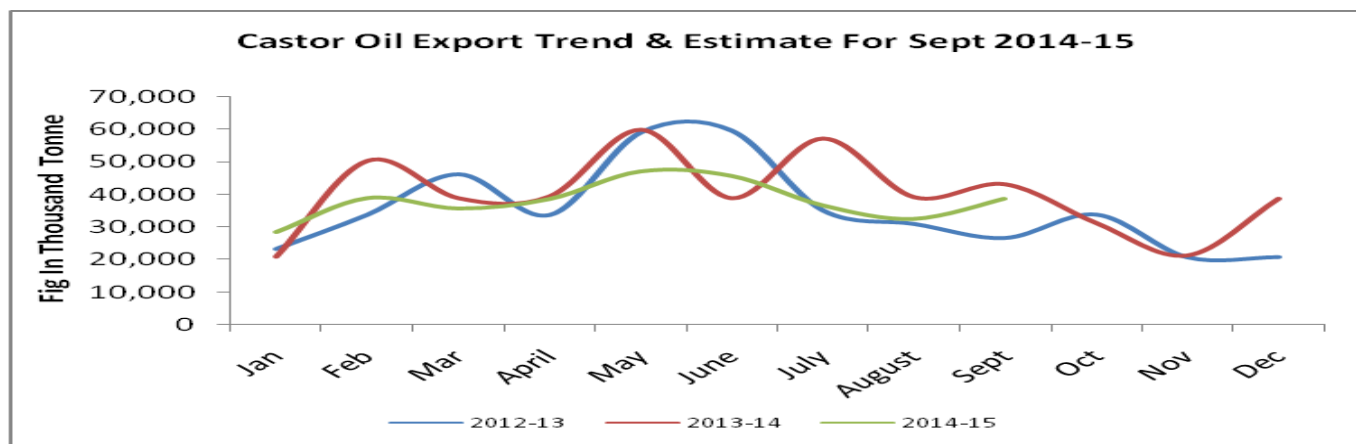


Blue line indicates projected price for seed based on seasonality and demand –supply factors concluded by Agriwatch. Red line indicates actual price movement in the market so far. Seed price may hover in the range of Rs 4150 to Rs 4200 per qtl.

Cash Market Price Outlook For Deesa Spot:

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

Castor Oil Export Trend:



Castor oil export declined unexpectedly from June to August. However, it is likely to rebound in Sept as stock with major importers has declined and fresh buying is expected from mid Sept. price of seed is expected to stabilize in Sept. The reason of lower export is attributed mainly to higher seed price this year. Uptrend in castor seed is expected October onward.

Comparative Prices Of Castor Products Including Seed					
	28 th Aug'14	22 nd Aug'14	28 th July'14	Aug/A ve/201 3	Change % from last year
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	41750	-	42500	35114	18.90
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	107	108	108	96	11.46
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	6250	6300	6200	5684	9.96
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1430	1445	1435	1211	18.08
Local rates for oil in domestic market(Rs./M.T.) for comm.	85500	85000	85000	72661	17.67

Source: SEA

Prices of castor seed and its products have decreased slightly from last week except commercial grade oil. However, they are ruling higher in comparison to last year average price of August. The above given table shows it clearly. Range bound movement is likely to continue 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 negative territory cautions bulls.
- The nearest by support is 4150 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	4150	4100	4199	4246	4310
Pre-Market Intraday Trade Call*			Call	Entry	T1	T2	SL
Castor Seed	NCDEX	Sept	buy	above 4151	4200	4245	4125

Castor Seed Weekly Prices on 29.7.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			29-Jul-14	22-Jul-14	
Castor Seed	Rajasthan	Sumerpur	3900	3925	-25
		Jodhpur	3800	3800	Unch
	Gujarat	Rajkot	3900	4000	-100
		Gondal	3955	3905	50
		Patan	NR	NR	-
		Deesa	NR	NR	-
		Mehsana	NR	4125	-
		Kadi	NR	4085	-
		Ahmedabad	NA	NR	-

Castor Price Weekly

Commodity	Center	Market	Price (Rs/Q)			
			Today	Week Ago	Month Ago	6 Month Ago
			29-Jul-14	22-Jul-14	28-Jul-14	28-Feb-14
Castor Seed	Rajasthan	Sumerpur	3900	3925	NR	3825
		Jodhpur	3800	3800	3800	NR
	Gujarat	Rajkot	3900	4000	4015	3900
		Gondal	3955	3905	4030	4105
		Patan	NR	NR	4135	4010
		Deesa	NR	NR	4075	4250

Castor Weekly Report 1st Sept, 2014

		Mehsana	NR	4125	4100	4000
		Kadi	NR	4085	4080	4000
		Ahmedabad	NA	NR	4100	4000

Castor Seed Weekly Arrivals Scenario on 29.7.2014

Commodity	Center	Market	Fig. in Quintal		Change %
			29-Jul-14	22-Jul-14	
Castor Seed	Rajasthan	Sumerpur	80	400	-80.00
		Jodhpur	160	1280	-87.50
	Gujarat	Rajkot	255	460	-44.57
		Gondal	101	51	98.04
		Patan	NR	7038	-
		Deesa	NR	3316	-
		Mehsana	NR	1760	-
		Kadi	NR	2040	-
		Other Gujarat	NA	24535	-
	Total Arrival		596	40880	-98.54

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