

### Castor Domestic Fundamentals: -

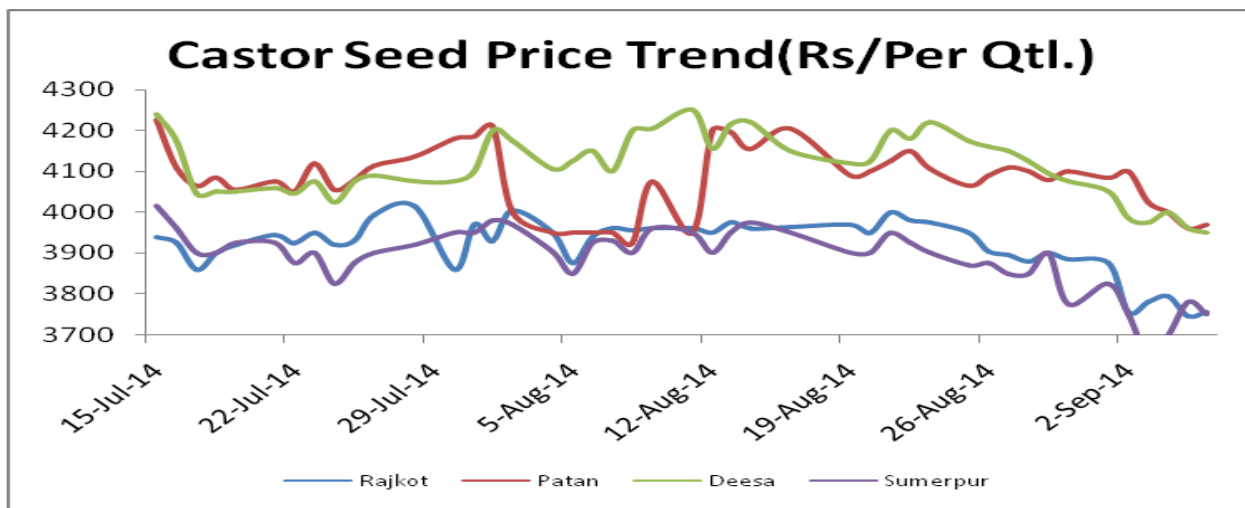
- **Castor seed traded down second consecutive weeks and** pressure is likely to continue in the weeks ahead. Higher area coverage and weak demand at higher level remain unsupportive to the cash market fundamentals. Prices in all major mandis have decreased three to four percent on an average in major trading hubs in Gujarat, Rajasthan and Andhra Pradesh.
- **Coverage area under castor seed has increased considerably in** August in comparison to July and registered at 7.71 lakh ha. against 5.53 lakh ha. It is almost 36 % higher than last year by the end of August. 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.
- **Govt has released fourth adv. Estimate of food** grains for 2013-14 on 14, August, 2014 and 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 that seems within reach given the pace of progressive sowing so far.
- **Castor Oil (First Grade) FOB Kandla (Export)** quote decreased from \$1430 to \$1415 per tonne in Sept.FOB quote is expected to move range bound in Sept. due to weak inner tone and sluggish demand for long month deal.
- **However,price of castor oil in Rotterdam** has increased from \$1705 to \$1720 per metric tonne this month. The wide difference between Indian FOB quote and Rotterdam quotes is due to branding. India lacks branding in castor oil.
- **Castor Oil commercial is being traded at Rs 84000** per tonne, almost Rs 1000 per tonne lower than July. However, it is ruling 16.98 percent higher than August,2013 average price
- **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:

- **Major buyers like China, EU and US are unwilling** to buy oil in bearish market trend. Current FOB quotes in Kandla hover in the range of \$1425 to \$1430 per tonne. Buyers bids are in the range of \$1405 to \$1410 per tonne on FOB basis Kandla.. However, planters/stockists are unwilling to release stock at this level.
- **China has covered 75 % of its need of over 2 lakh tonne oil** so far. Europe and US too have brought 70 percent of its need of 1.4 and 0.6 lakh tonne oil so far.In remaining 4 months they would not buy aggressively as per feedback received from domestic exporters/stockists. lower than normal demand from major buyers and better crop prospects would not allow market to go for any bull run in the month of Sept.2014.
- **At Rottardam oil quote too has declined from \$1730 to \$1715** per tonne. Other small buyers too are in wait & watch mood. So,domestic market is likely remain in pressure at least for a month.

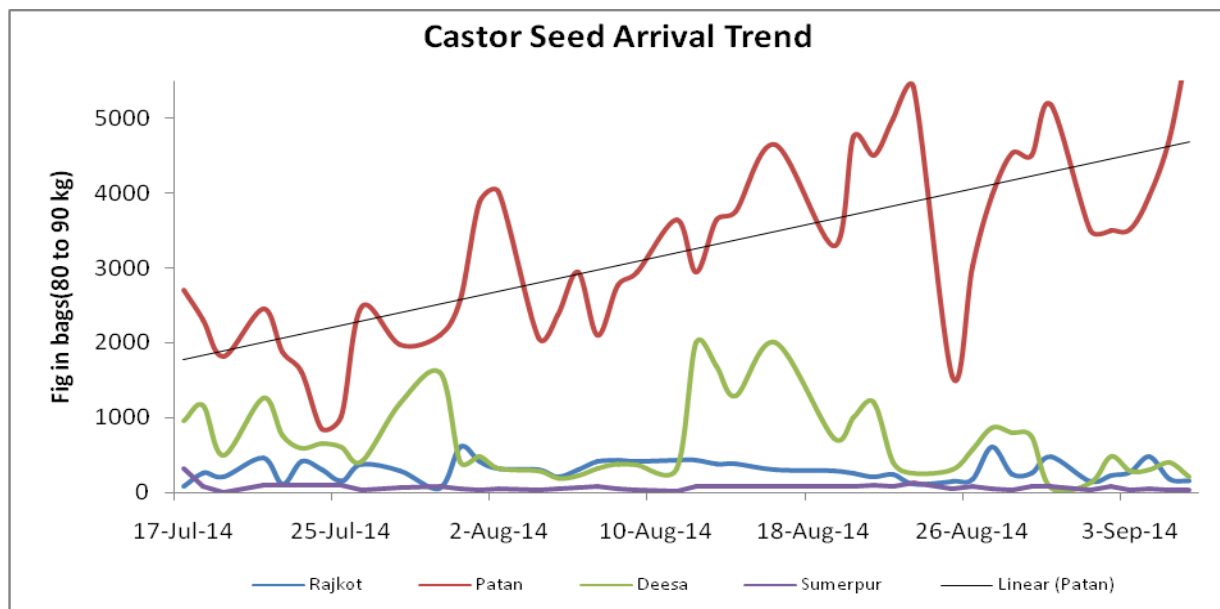
**Domestic market Outlook:** Market is likely trade weak.

### Castor Seed Price Chart:



Cash market traded down during the first week of Sept. Prices in Patan, Sumerpur, Rajkot and Deesa have decreased due to lower demand for castor products. There seems no respite at price front at this point of time. 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.

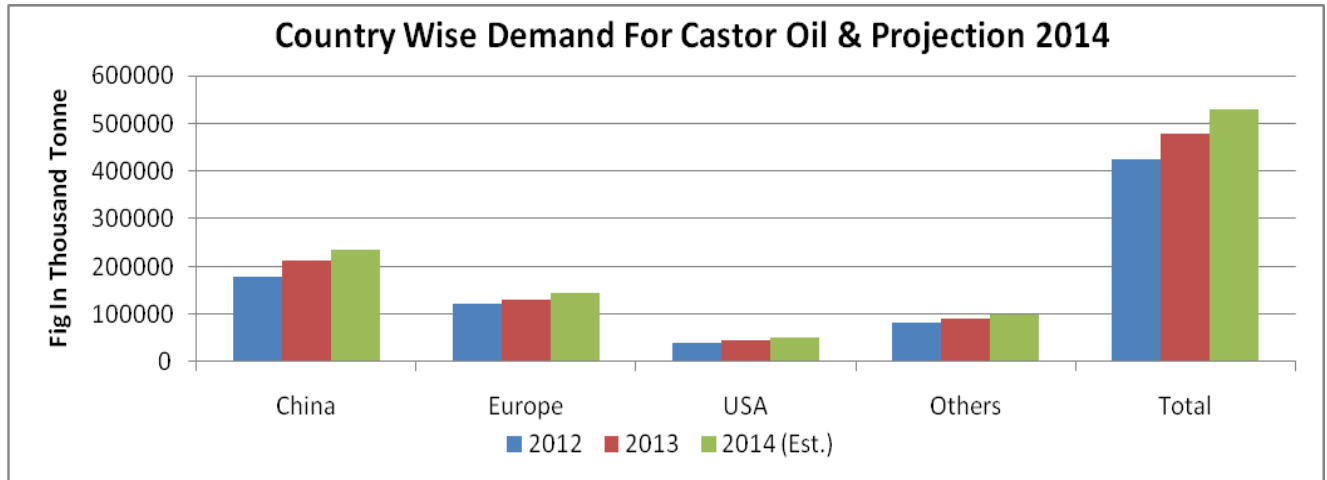
### Castor Seed arrival Chart:



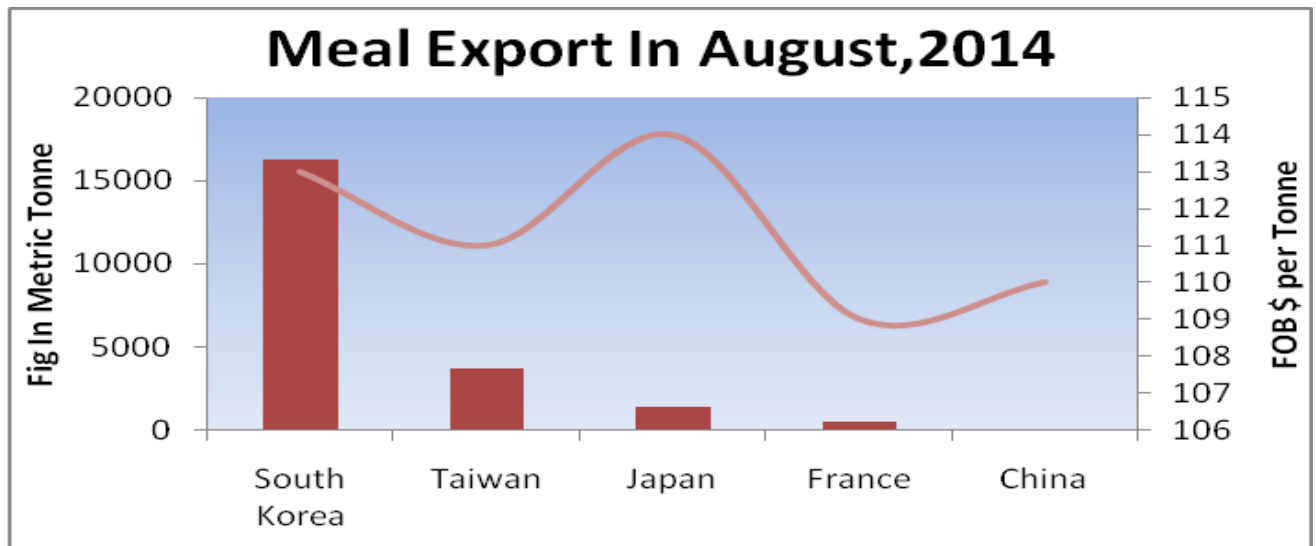
Castor seed arrivals in major mandis excluding Patan have decreased slightly during the week under review. As prices have decreased, sellers may hold on stock for quite some time from now. This may support price in the medium term.

### 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.

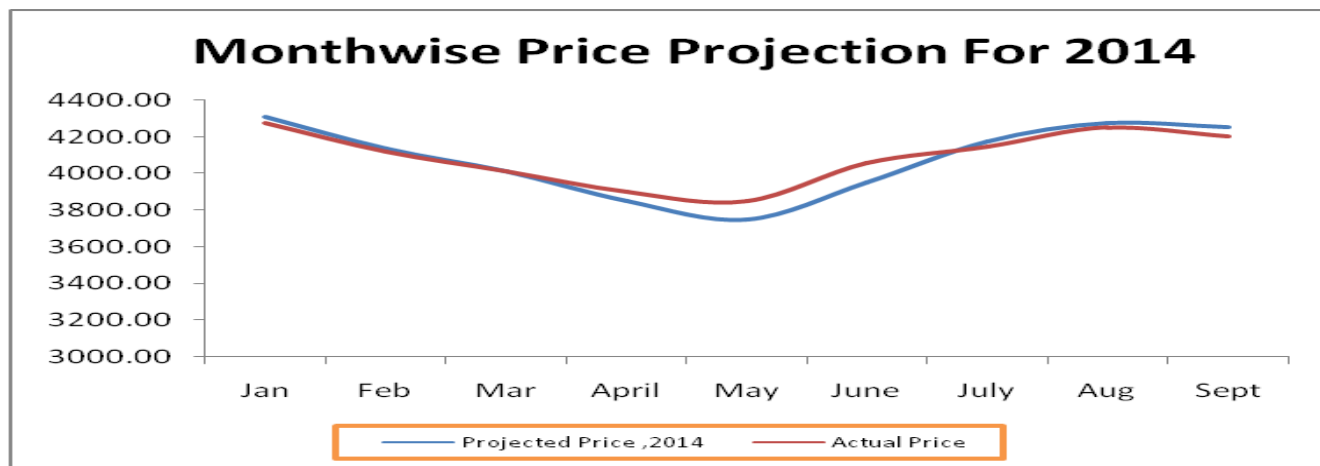


### Castor Meal Export:



Meal export in August was registered at 2.3 lakh tonne against 2.45 lakh tonne in August, 2013 at an average fob price of \$107 per tonne. Demand of meal is lower and prices are likely to reel under pressure in Sept. too. Major buyers may wait for stabilization in the market.

Expected Price In Sept. For Seed:

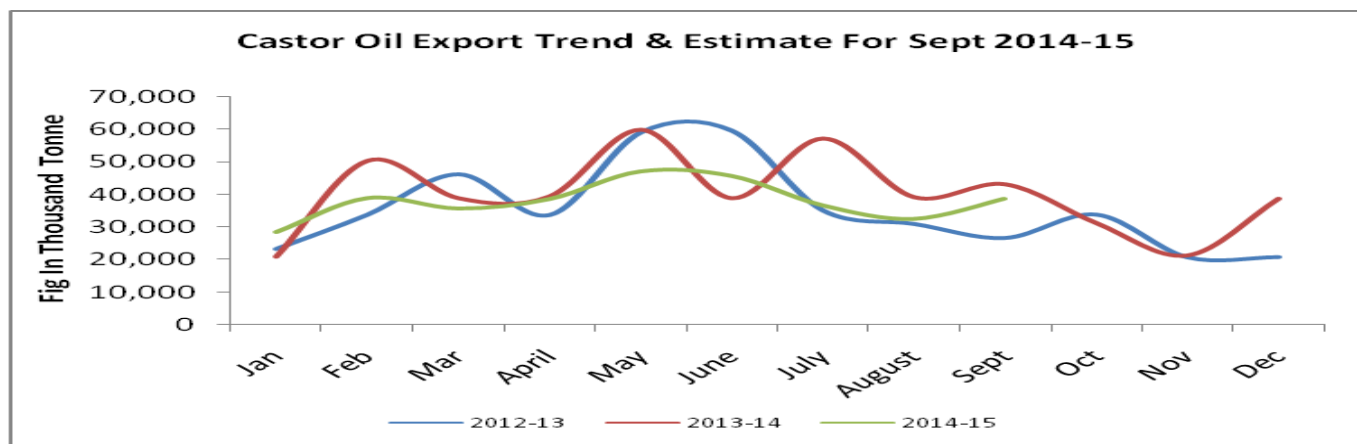


Blue line indicates projected price for seed based on seasonality and demand –supply factors concluded by Agriwatch. Red line indicates actual price movement in the market so far. Seed price may hover in the range of Rs 4150 to Rs 4200 per qtl.

### Cash Market Price Outlook For Deesa Spot:

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	3850-3900	3900-3950
Medium Term (30 days)	3950-4000	4000-4050

### 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					
	5 <sup>th</sup> Sept,14	28 <sup>th</sup> Aug'14	5 <sup>th</sup> Aug,'14	5 <sup>th</sup> Sept 2013	Change % from last year
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	40,900	41,750	42,250	36,200	12.98
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	108	107	106	95	13.68
<b>EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla</b>	6350	6250	6050	5873	8.12
Castor Oil (First Grade) FOB Kandla (Export)\$/Tonne	1415	1430	1450	1218	16.17
<b>Local rates for oil in domestic market(Rs./M.T.) for comm.</b>	84000	85500	85200	74723	12.42

Source: SEA

Prices of castor seed and its products have showed mixed trend from last week except. However, they are ruling higher in comparison to last year average price of Sept. 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 4000 while first resistance 4100.
- Stake Holders are advised to sell on rise.

**Strategy:** **Sell on rise**

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Castor Seed	NCDEX	Sept	4000	3984	4041	4100	4150
Pre-Market Intraday Trade Call*			Call	Entry	T1	T2	SL
Castor Seed	NCDEX	Sept	sell	below 4075	4000	3985	4101

### Castor Seed Weekly Prices on 05.8.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			5-Sep-14	29-Aug-14	
Castor Seed	Rajasthan	Sumerpur	3780	3900	-120
		Jodhpur	3800	3800	Unch
	Gujarat	Rajkot	3745	3900	-155
		Gondal	3830	3955	-125
		Patan	3960	NA	-
		Deesa	NA	NA	-
		Mehsana	3960	NA	-
		Kadi	4000	NA	-
		Ahmedabad	4050	NA	-

### Castor Price Weekly

Commodity	Center	Market	Price (Rs/Q)			
			Today	Week Ago	Month Ago	6 Month Ago
			5-Sep-14	29-Aug-14	4-Aug-14	7-Mar-14
Castor Seed	Rajasthan	Sumerpur	3780	3900	3903	4025
		Jodhpur	3800	3800	3800	NA
	Gujarat	Rajkot	3745	3900	3950	4080
		Gondal	3830	3955	3955	3955
		Patan	3960	NA	4140	4230
		Deesa	NA	NA	4105	4225

## Castor Weekly Report 8<sup>th</sup> Sept, 2014

		Mehsana	3960	NA	4075	4200
		Kadi	4000	NA	4050	4150
		Ahmedabad	4050	NA	4050	4150

### Castor Seed Weekly Arrivals Scenario on 05.09.2014

Commodity	Center	Market	Fig. in Quintal		Change %
			5-Sep-14	29-Aug-14	
Castor Seed	Rajasthan	Sumerpur	152	344	-55.81
		Jodhpur	960	960	Unch
	Gujarat	Rajkot	1775	1137	156.11
		Gondal	1253	624	100.80
		Patan	24401	18499	31.90
		Deesa	1223	1522	-19.65
		Mehsana	2508	3360	-25.36
		Kadi	2872	3960	-27.47
		Other Gujarat	122	NA	-
	Total Arrival		35266	596	35266

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