

Castor Domestic Fundamentals: -

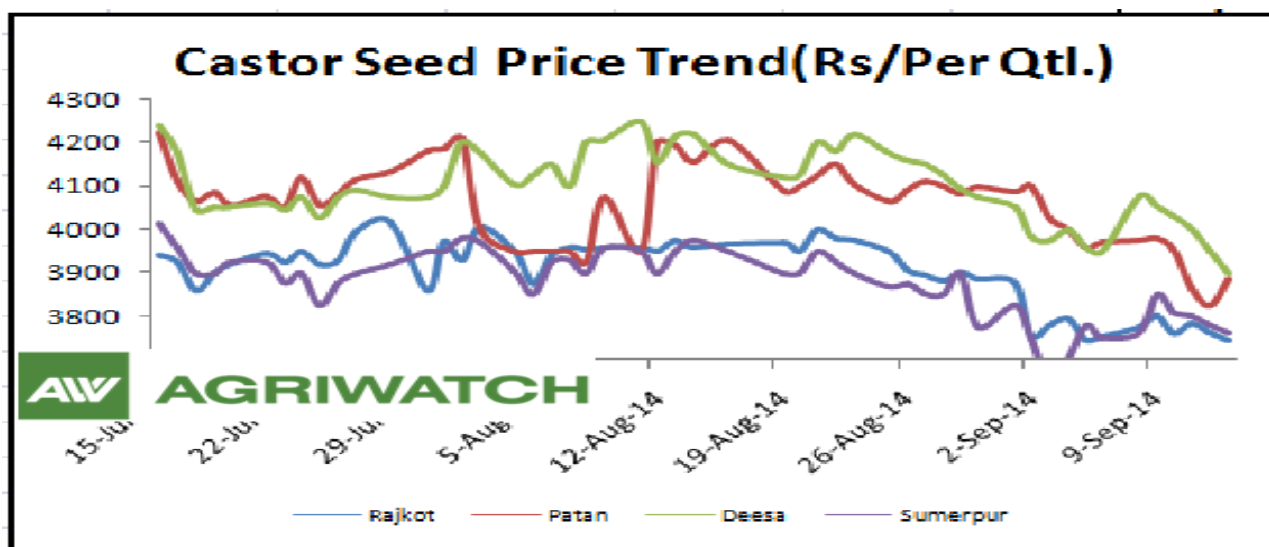
- **Castor seed traded down third consecutive weeks** and more dip is likely to continue in the weeks ahead. Higher area coverage amid weak demand at higher level remain unsupportive to the cash market fundamentals. Prices in all major mandis have decreased four to five percent on an average in major trading hubs in Gujarat, Rajasthan and Andhra Pradesh during last three weeks.
- **Almost 90 percent area under castor seed has been covered so far. As on 5th sept**, area was recorded at 9.27 lakh ha. against 7.55 lakh ha last year till corresponding period. Overall area so far is around 1.7 lakh ha. higher than last year in sept first week. Sowing of castor seed is continues in Gujarat and Andhra Pradesh and some parts of Rajasthan.
- **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 \$1415 to \$1405 per tonne in Sept.FOB quote is expected to dip more in Sept. due to weak inner tone and sluggish demand for long month deal. Major buyers are in wait and watch mood.
- **However, price of castor oil in Rotterdam** has increased from \$1720 to \$1729 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 84500** per tonne, almost Rs 500 per tonne higher than last week. However, it is ruling 13.08 percent higher than Sept,2013 average price.
- **Overall outlook for seed market remains** weak in the short term. Buyers for bulk buying may enter into the market by Sept end. Players/stake holders may go for buying in futures contract in long months at around Rs 3900/3950.

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 \$1405 to \$1410 per tonne. Buyers bids are in the range of \$1400 to \$1405 per tonne on FOB basis Kandla.. However, planters/stockists are unwilling to release stock at this level. Pressure continues on oil market.
- **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 increased from \$1705 to \$1729** per tonne. Other small buyers too are in wait & watch mood. So,domestic market is likely remain in pressure at least till mid October..

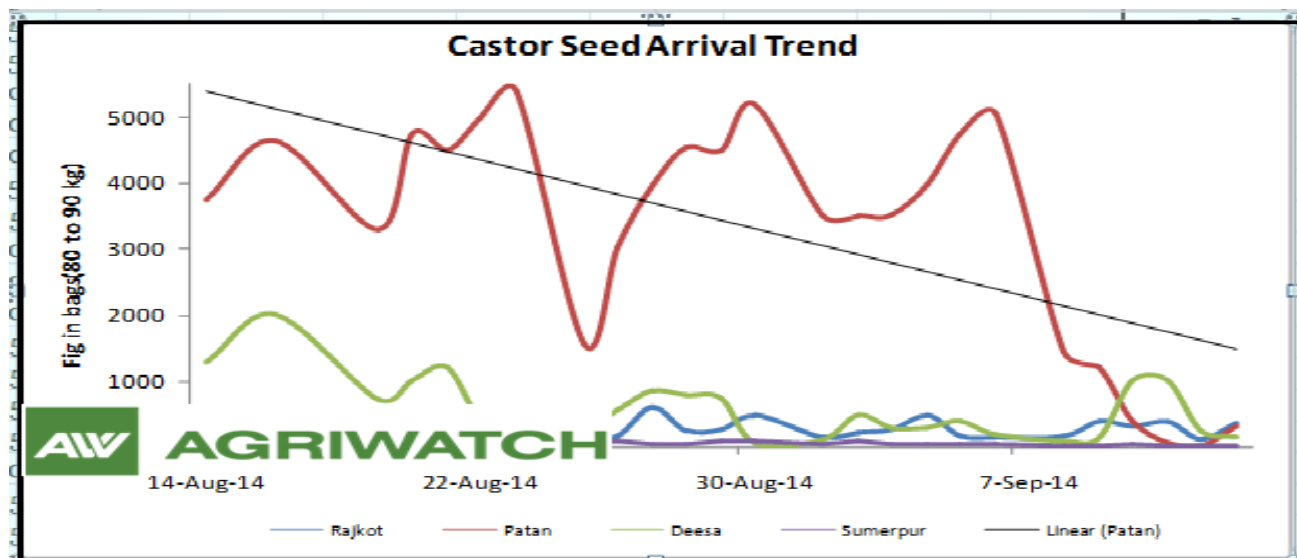
Domestic market Outlook: Market is likely trade weak.

Castor Seed Price Chart:



Cash market traded down during the second week of Sept . Prices in Patan, Sumerpur, Rajkot and Deesa have decreased due to lower demand and price for castor products. There seems no respite at price front at this point of time. Market participants expect market to move south ward this week too despite sellers unwillingness to release stock at current level.

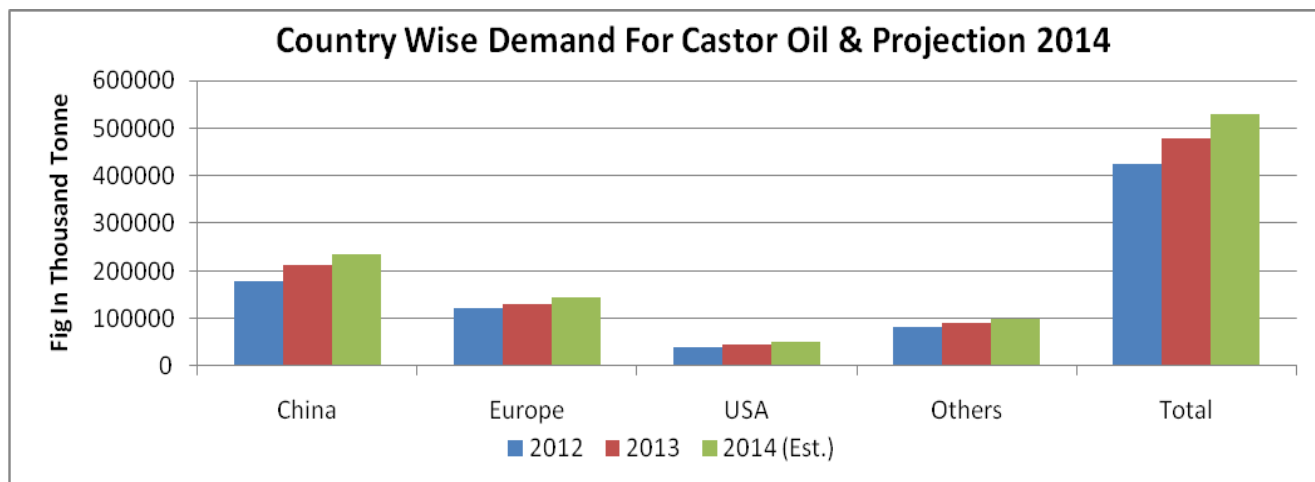
Castor Seed arrival Chart:



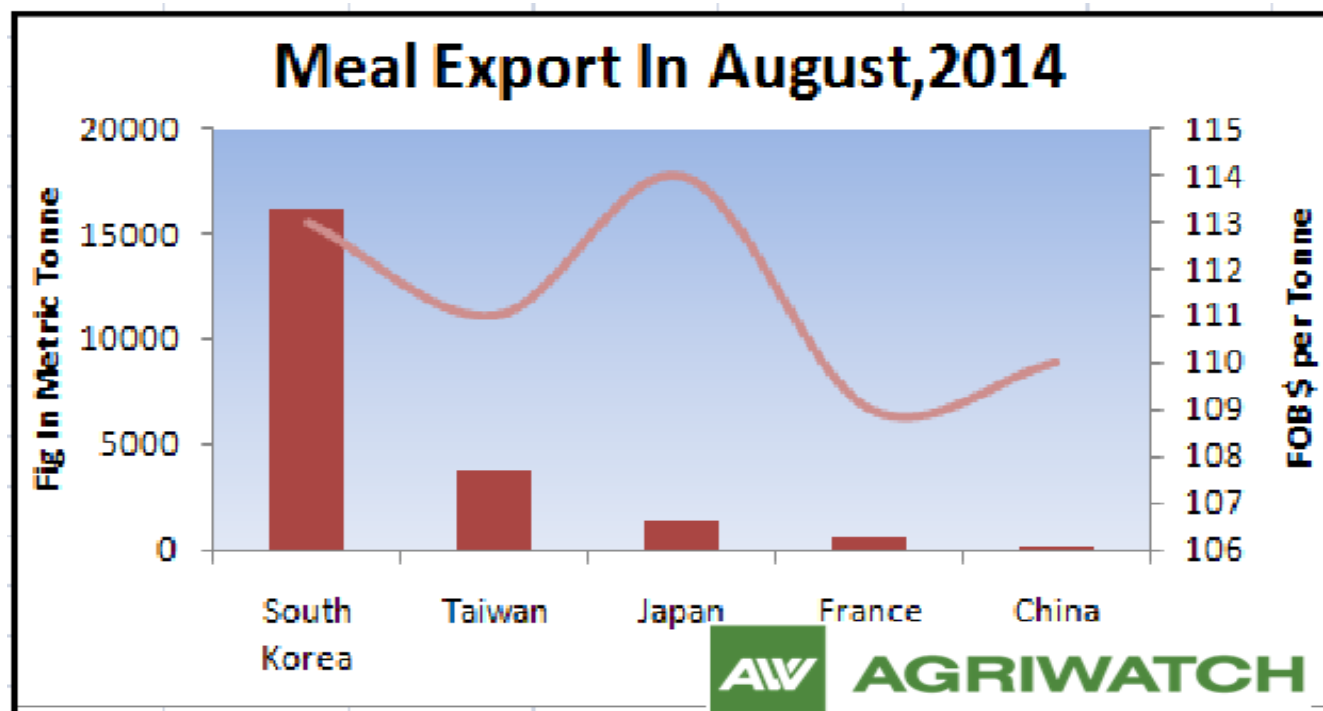
Castor seed arrivals in major mandis have decreased considerably during the week under review. As prices have decreased, sellers may hold on stock for quite some time from now. This may support price in the medium term. Overall sentiments remain bearish.

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.

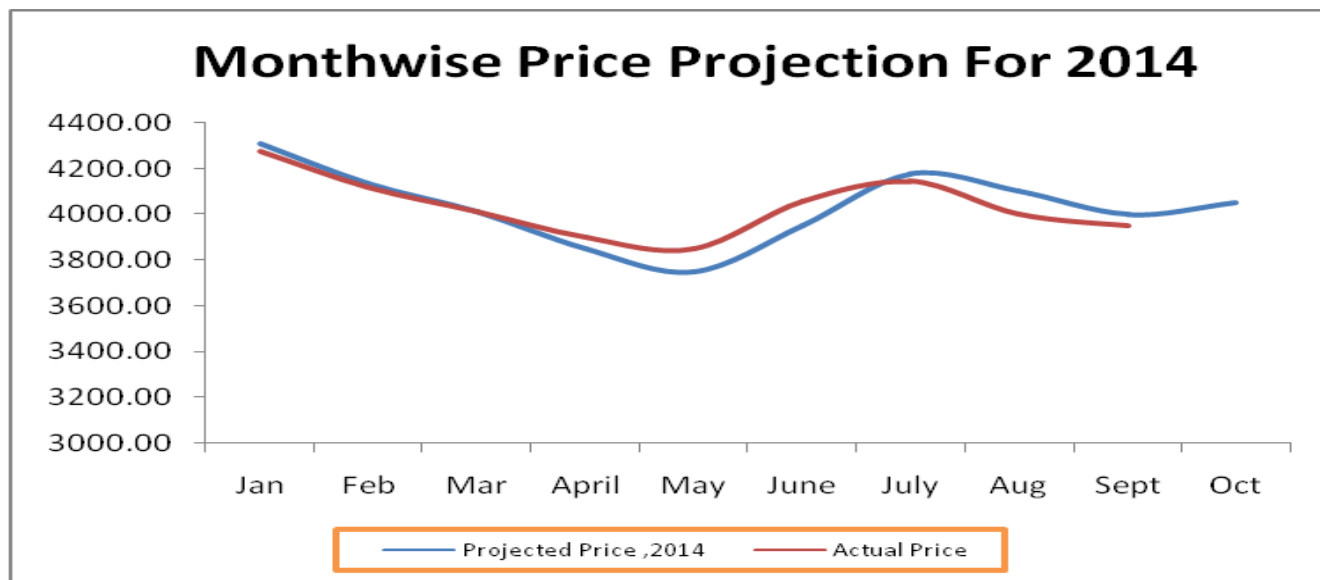


Castor Meal Export:



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:

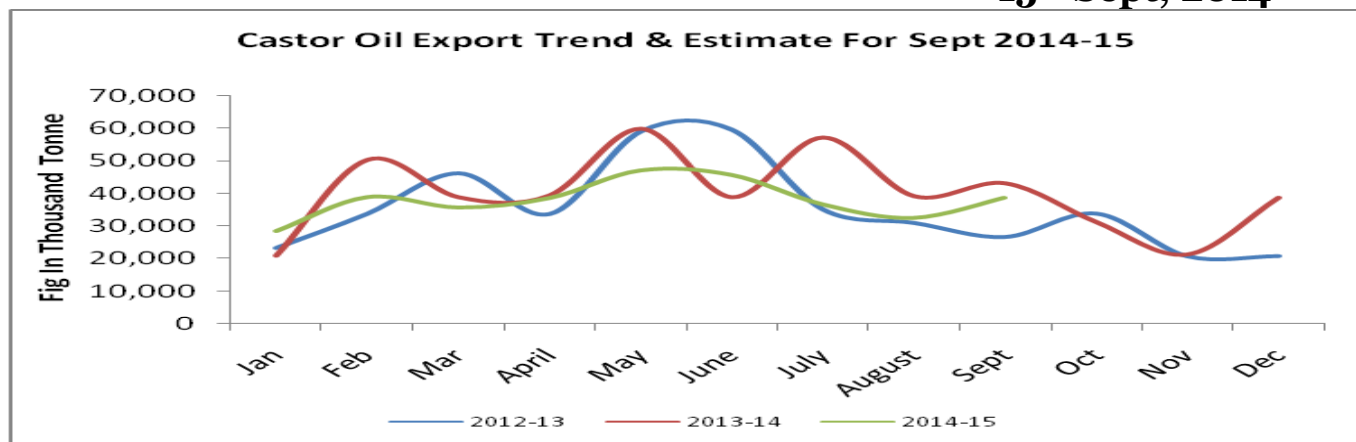


Blue line indicates projected price for seed based on seasonality and demand –supply factors concluded by Agriwatch. Red line indicates actual price movement in the market so far. Seed price may hover in the range of Rs 3850 to Rs 4000 per qtl.

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					
	12 th Sept,14	05 th Sept'14	12 th Aug,'14	12 th Sept 2013	Change % from last year
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	40,750	40,900	42,500	36,200	12.57
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	108	108	107	95	13.68
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	6350	6350	6200	5873	8.12
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1405	1415	1435	1218	15.35
Local rates for oil in domestic market(Rs./M.T.) for comm.	84500	84000	85000	74723	13.08

Source: SE

Castor seed price in all major mandis including Gujarat have declined considerably this week and more dip is expected in this week. However commercial grade oil price has improved slightly this week from Rs 84000 to rs 84500 per tonne. However, Fob quotes at Kandla has decreased from \$1415 to \$ 1405 per tonne.

Technical Analysis:

Castor Seed

CASTOR SEED NEW 1st(NCCTNC1)2014/09/12 - Daily
 O 3985.00 H 4009.00 L 3910.00 C 3970.00 ↓ V 8,070 | 9,300 -23 -0.58%

SMA(9) 4044.7 (18) 4108.8 (27) 4151.0 (50) 4166.2 (100) 4122.0



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 3850 while first resistance 4061.
- Stake Holders are advised to sell on rise.

Strategy: Sell on rise

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Castor Seed	NCDEX	Oct	3850	3790	4018	4061	4200
Pre-Market Intraday Trade Call*			Call	Entry	T1	T2	SL
Castor Seed	NCDEX	Oct	sell	below 4035	3950	3900	4060

Castor Seed Weekly Prices on 12.9.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			12-Sep-14	5-Sep-14	
Castor Seed	Rajasthan	Sumerpur	3780	3780	Unch
		Jodhpur	3700	3800	-100
	Gujarat	Rajkot	3760	3745	15

Castor Weekly Report 15th Sept, 2014

		Gondal	3855	3830	25
		Patan	3825	3960	-135
		Deesa	3950	NA	-
		Mehsana	3875	3940	-65
		Kadi	3885	3975	-95
		Ahmedabad	3850	4050	-200

Castor Price Weekly						
Commodity	Center	Market	Price (Rs/Q)			
			Today	Week Ago	Month Ago	6 Month Ago
			12-Sep-14	5-Sep-14	12-Aug-14	12-Mar-14
Castor Seed	Rajasthan	Sumerpur	3780	3780	3900	3850
		Jodhpur	3700	3800	3900	NA
	Gujarat	Rajkot	3760	3745	3950	4015
		Gondal	3855	3830	4005	3930
		Patan	3825	3960	4155	4045
		Deesa	3950	NA	4155	4000
		Mehsana	3925	3960	4100	3975
		Kadi	3875	4000	4055	NA
		Ahmedabad	3850	4050	4000	4000

Castor Seed Weekly Arrivals Scenario on 12.09.2014

Commodity	Center	Market	Fig. in Quintal		Change %
			12-Sep-14	5-Sep-14	
Castor Seed	Rajasthan	Sumerpur	96	152	-36.84
		Jodhpur	1040	960	8.33
	Gujarat	Rajkot	1535	1775	-13.52
		Gondal	2369	1253	89.07
		Patan	7977	24401	-67.31
		Deesa	2082	1223	70.24
		Mehsana	1184	2508	-52.79
		Kadi	840	2872	-70.75
		Other Gujarat	16143	122	13131.97
	Total Arrival		33266	35266	-5.67

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