

**Castor Domestic Fundamentals: -**

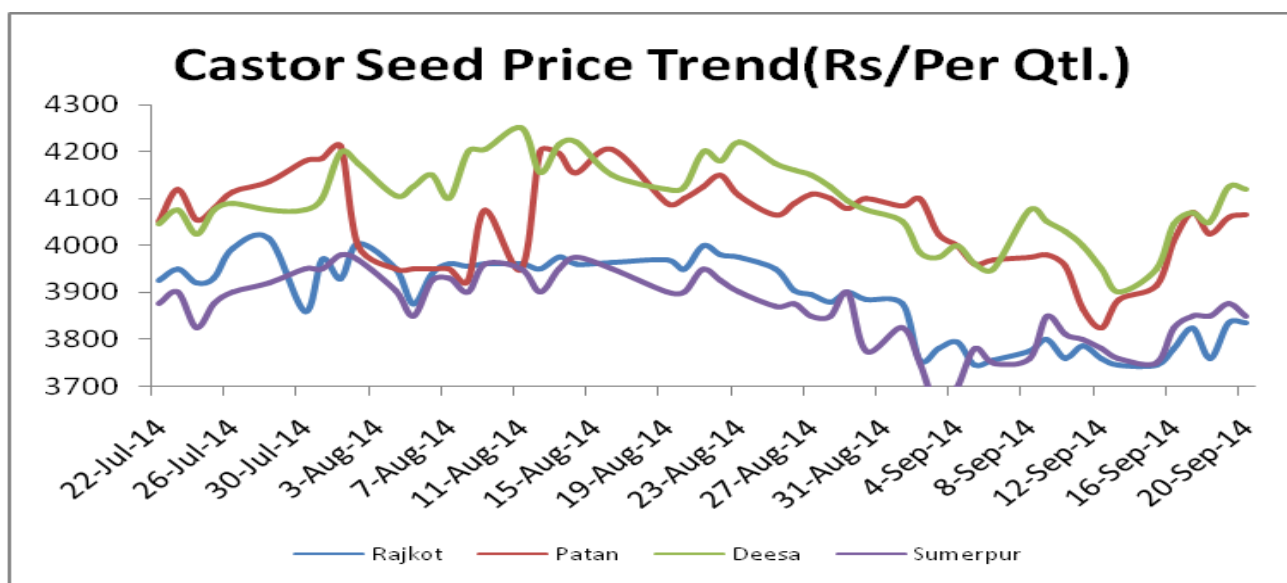
- **Castor seed traded up by Rs 100 to Rs 150 per qtl in major** markets during the week under review. Fresh demand for oil at \$1420 per tonne and restricted arrivals in the mandis lent support to the cash market fundamentals. However, uptrend is unlikely to continue in the short term. Medium and long term outlook remains firm and Agriwatch expects firmness from October.
- **Almost 95 percent area under castor seed has been covered so far. As on 11<sup>th</sup> Sept**, area was recorded at 9.54 lakh ha. against 7.65 lakh ha last year till corresponding period. Overall area so far is around 1.75 lakh ha. higher than last year in sept second week. Sowing of castor seed is almost over in kharif season.
- **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. However, recent crop loss in Gujarat and progressive resowing needs to be watched closely.
- **Castor Oil (First Grade) FOB Kandla (Export)** quote increased from \$1405 to \$1420 per tonne in Sept second week. Recovery in FoB quote may help seed market to stay steady in the near term and firm in the medium term. Arrivals may be delayed in Gujarat by 15 to 20 days this year.
- **Price of castor oil in Rotterdam** has stayed steady at \$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 84000** per tonne, almost Rs 500 per tonne lower than last week. However, it is ruling 12.42 percent higher than Sept, 2013 average price.
- **Overall outlook for seed market remains firm** in the medium term. Buyers for bulk buying may enter into the market from October. 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 has increased to \$1420 per tonne. It may hover in the range of \$1415 to \$1425 in the rest of Sept. Buyers bids are in the range of \$1415 to \$1420 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 Rotterdam oil quote stay steady at \$1729 per tonne

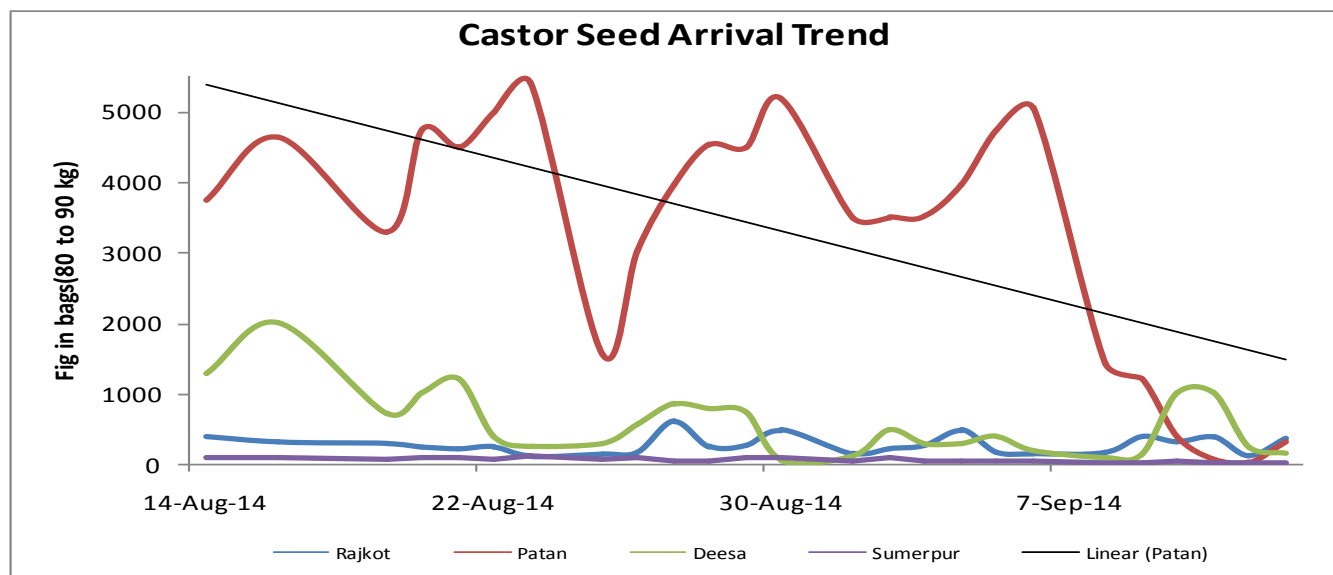
**Domestic market Outlook:** Market is likely to trade steady to slightly firm.

### Castor Seed Price Chart:



Cash market traded up during the third week of Sept . Prices in Patan, Sumerpur, Rajkot and Deesa have increased due to lower arrivals and higher demand for castor products. However correction at this stage is expected this week. Overall sentiment remains bullish in the medium term.

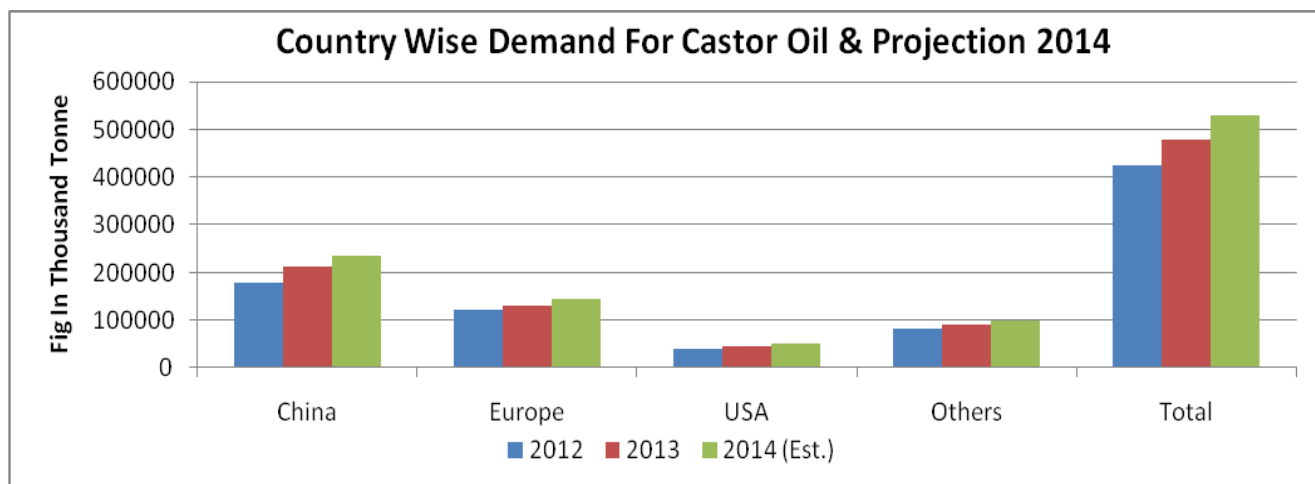
### Castor Seed arrival Chart:



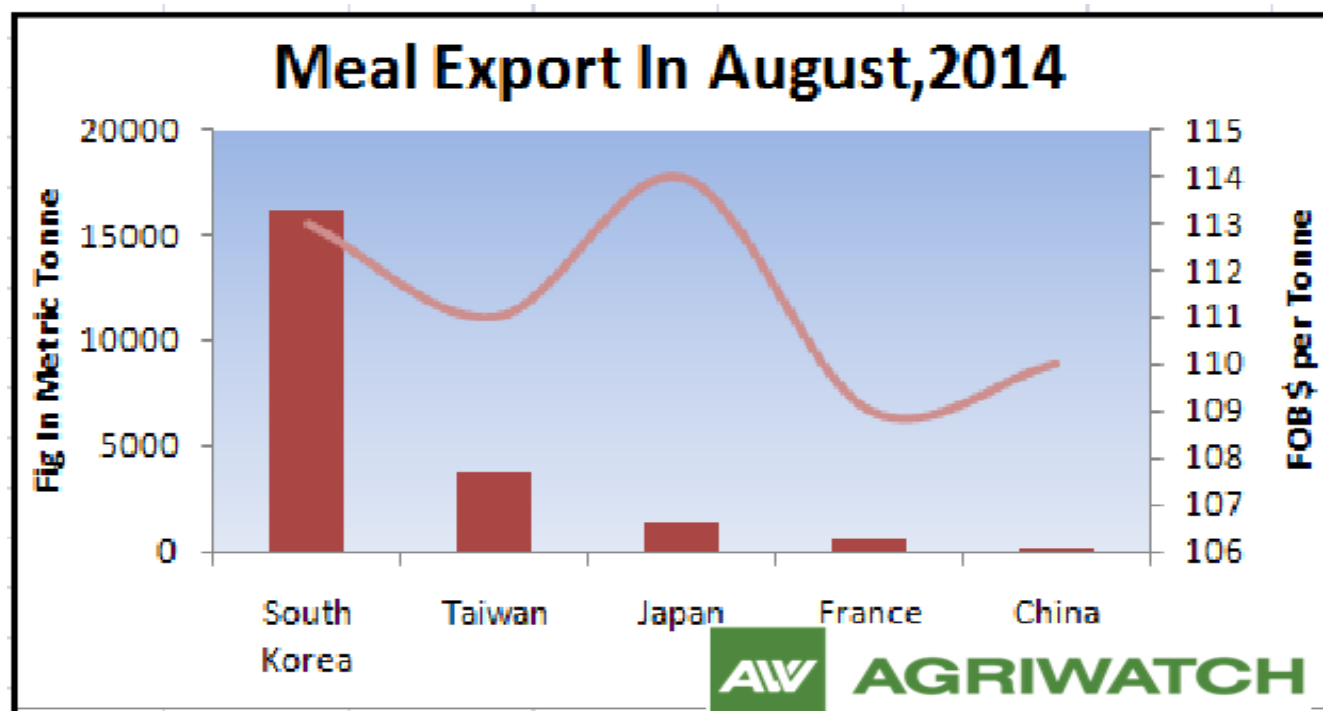
Castor seed arrival in major mandis has increased slightly in comparison to last week. As prices have decreased, sellers may hold on stock for quite some time from now. This may support price in the medium term. Overall sentiments remain bullish.

### 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.

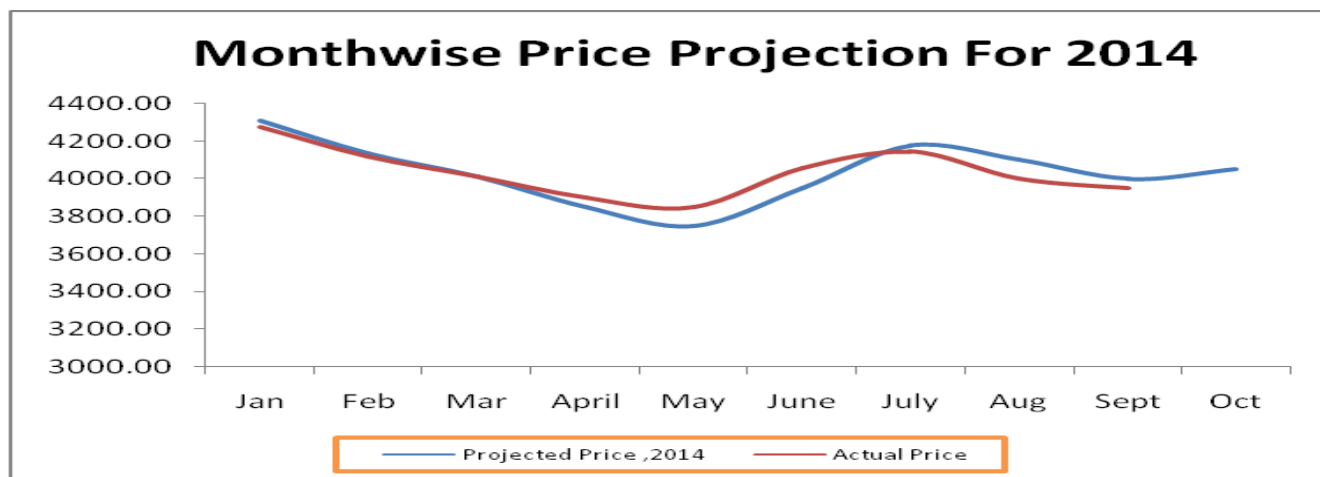


### Castor Meal Export:



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:

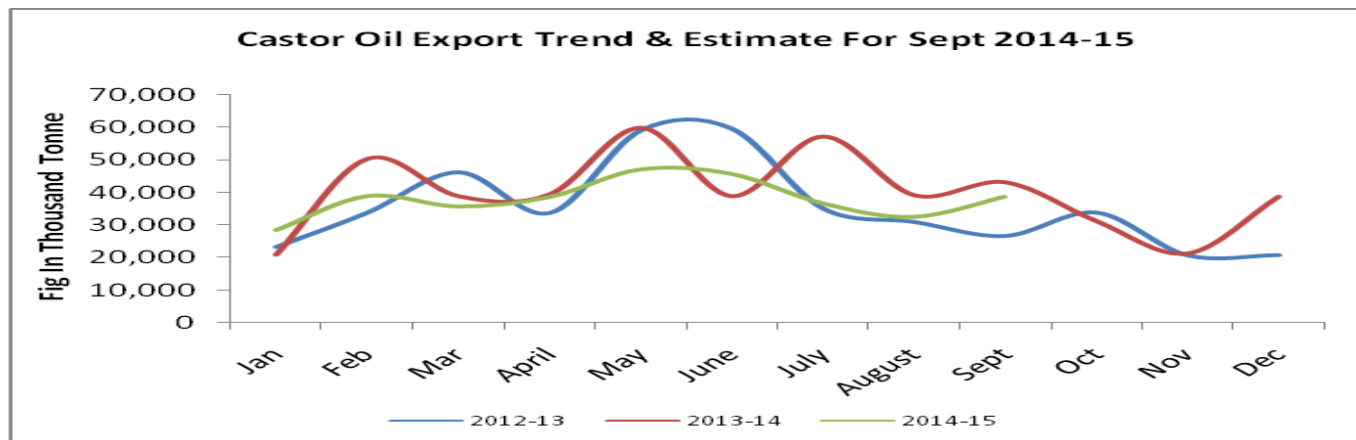


Blue line indicates projected price for seed based on seasonality and demand –supply factors concluded by Agriwatch. Red line indicates actual price movement in the market so far. Seed price may hover in the range of Rs 4050 to Rs 4250 per qtl. in Deesa market.

#### Cash Market Price Outlook For Deesa Spot:

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	4050-4100	4150-4200
Medium Term (30 days)	4225-4250	4250-4350

#### 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					
	19 <sup>th</sup> Sept, 14	12 <sup>th</sup> Sept'14	19 <sup>th</sup> Aug, '14	19 <sup>th</sup> Sept 2013	Change % from last year
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	41250	40,750	42,000	36,200	13.95
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	110	108	108	95	15.97
<b>EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla</b>	6450	6350	6300	5873	9.82
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1420	1405	1430	1218	16.58
<b>Local rates for oil in domestic market(Rs./M.T.) for comm.</b>	84000	84500	85500	74723	12.42

Source: SE

Castor seed price in all major mandis including Gujarat have increased considerably this week however, a correction at this stage is expected. Medium term outlook remains bullish. However commercial grade oil price has decreased slightly this week from Rs 84500 to Rs 84000 per tonne. Fob quote for castor oil at Kandla has increased from \$1405 to \$ 1420 per tonne. Meal price too have increased by \$2 per tonne to \$110 per tonne during the week under review.

### Technical Analysis:



### Technical Commentary:

- Candlestick chart shows bullish tone in the futures market.
- RSI moving up in neutral region favours bulls.
- Momentum indicator MACD is in positive territory cautions bears.
- The nearest buy support is 4200 while first resistance 4330.
- Stake Holders are advised to buy on dip.

### Strategy: buy on dip

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Castor Seed	NCDEX	Oct	4200	4150	4260	4330	4400
Pre-Market Intraday Trade Call*			Call	Entry	T1	T2	SL
Castor Seed	NCDEX	Oct	Buy	below 4220	4280	4320	4198

Commodity	Center	Market	Price (Rs/Q)		Change
			19-Sep-14	12-Sep-14	
Castor Seed	Rajasthan	Sumerpur	3875	3780	Unch
		Jodhpur	3800	3700	-100
	Gujarat	Rajkot	3835	3760	15
		Gondal	3905	3855	25
		Patan	4060	3825	-135
		Deesa	4125	3950	-
		Mehsana	4025	3925	-35

	Kadi	4030	3875	<b>-125</b>
	Ahmedabad	4100	3850	<b>-200</b>

Castor Price Weekly						
Commodity	Center	Market	Price (Rs/Q)			
			Today	Week Ago	Month Ago	6 Month Ago
			19-Sep-14	12-Sep-14	19-Aug-14	20-Mar-14
Castor Seed	Rajasthan	Sumerpur	3875	3780	3900	3825
		Jodhpur	3800	3700	3800	NR
	Gujarat	Rajkot	3835	3760	NA	3885
		Gondal	3905	3855	NA	3955
		Patan	4060	3825	4090	4040
		Deesa	4125	3950	NA	NR
		Mehsana	4025	3925	4050	3975
		Kadi	4030	3875	NA	4455
		Ahmedabad	4100	3850	3925	3950

### Castor Seed Weekly Arrivals Scenario on 19.09.2014

Commodity	Center	Market	Fig. in Quintal		Change %
			19-Sep-14	12-Sep-14	
Castor Seed	Rajasthan	Sumerpur	312	96	<b>-36.84</b>
		Jodhpur	1400	1040	<b>8.33</b>
	Gujarat	Rajkot	2785	1535	<b>-13.52</b>
		Gondal	1986	2369	<b>89.07</b>
		Patan	8350	7977	<b>-67.31</b>
		Deesa	5639	2082	<b>70.24</b>
		Mehsana	1440	1184	<b>-52.79</b>
		Kadi	2268	840	<b>-70.75</b>
		Other Gujarat	39932	16143	<b>13131.97</b>
	Total Arrival		<b>33266</b>	<b>35266</b>	<b>-5.67</b>

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