

### Castor Domestic Fundamentals: -

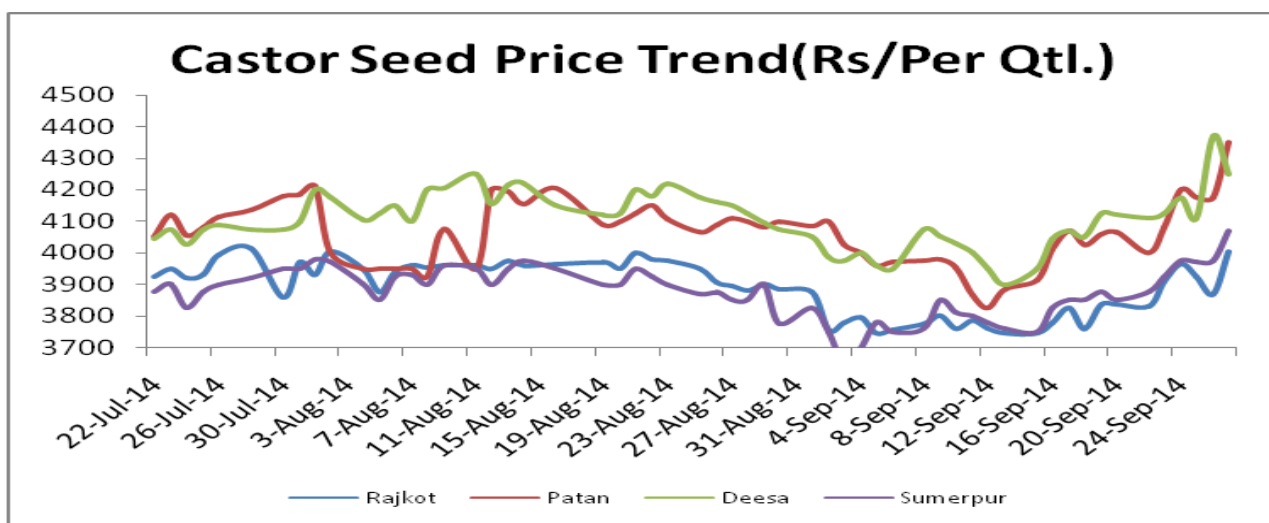
- **Castor seed market continue to trade firm on the back of increased buying interests of bulls** during the week under review. FoB quote at Kadla to have increased from 41420 to \$1425 per tonne and quote may go up further at least by \$10 per tonne this week.
- **Seed cash and futures markets too have posted smart gains in** the range of 6 to 7 percent during the week. However, downward correction is expected by the mid of the week as overseas buyers have restricted buying at higher level.
- **Castor seed sowing is almost over now and by 22<sup>nd</sup> Sept**, area was recorded at 9.74 lakh ha. against 8.21 lakh ha last year till corresponding period. Overall area so far is around 1.50 lakh ha. higher than last year in Sept fourth week. Resowing in Gujarat has been 20 percent and farmers in these area may opt crop like mustard in rabi season, beginning from 1<sup>st</sup> Oct,
- **Govt has released First Advance Estimate** for 2014-15 on 19, Sept, 2014 and estimated 19.6 lakh tonne production this year. Production target for 2014-15 has been set at 16.65 lakh tonne. As area has increased around 1.5 lakh ha , overall production is set to increase this year..However, recent crop loss in Gujarat and progressive re-sowing needs to be watched closely.
- **Castor Oil (First Grade) FOB Kandla (Export)** quote increased from \$1420 to \$1425 per tonne in Sept fourth and may move up by \$10 per tonne further. Recovery in FoB quote may help seed market to stay steady in the near term and firm in the medium term. However, a downward correction is expected at current level. 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 85000** per tonne, almost Rs 1000 per tonne higher than last week. It is ruling 12.12 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 4250/4300.

### 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 \$1425 per tonne. It may hover in the range of \$1420 to \$1430 in the first week of Oct.. Buyers bids are in the range of \$1420 to \$1425 per tonne on FOB basis Kandla. Market participants say that demand may hamper at higher level and it may pressurize castor seed market in the first week of Oct.
- **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

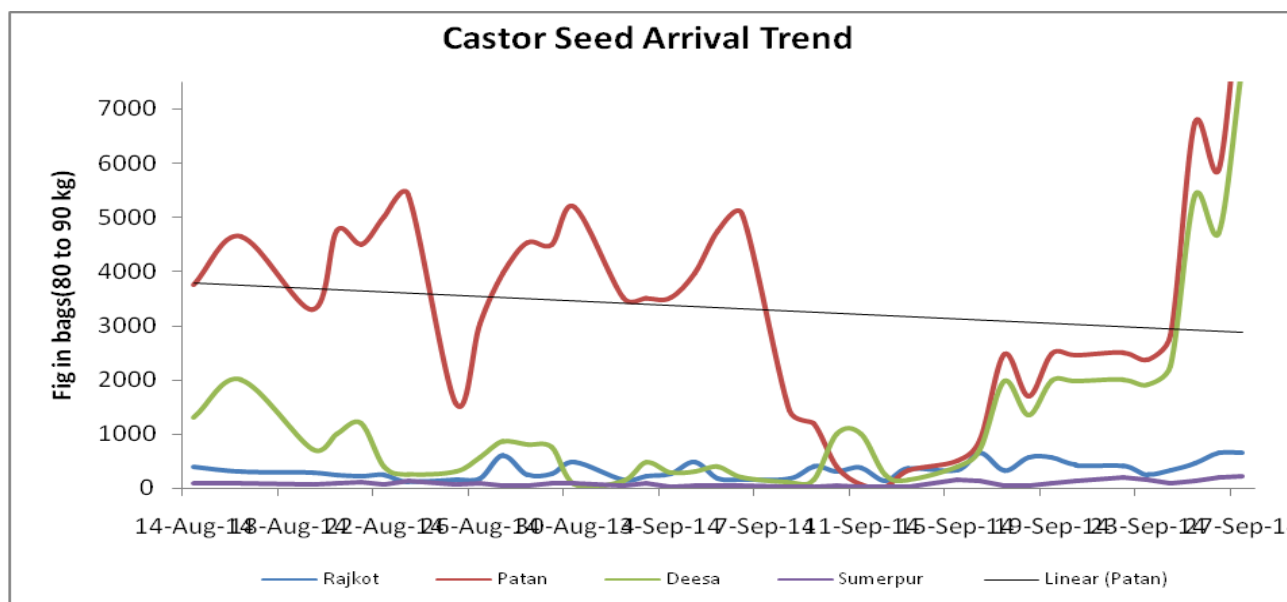
**Domestic market Outlook:** Market may trade steady to slightly firm.

### Castor Seed Price Chart:



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

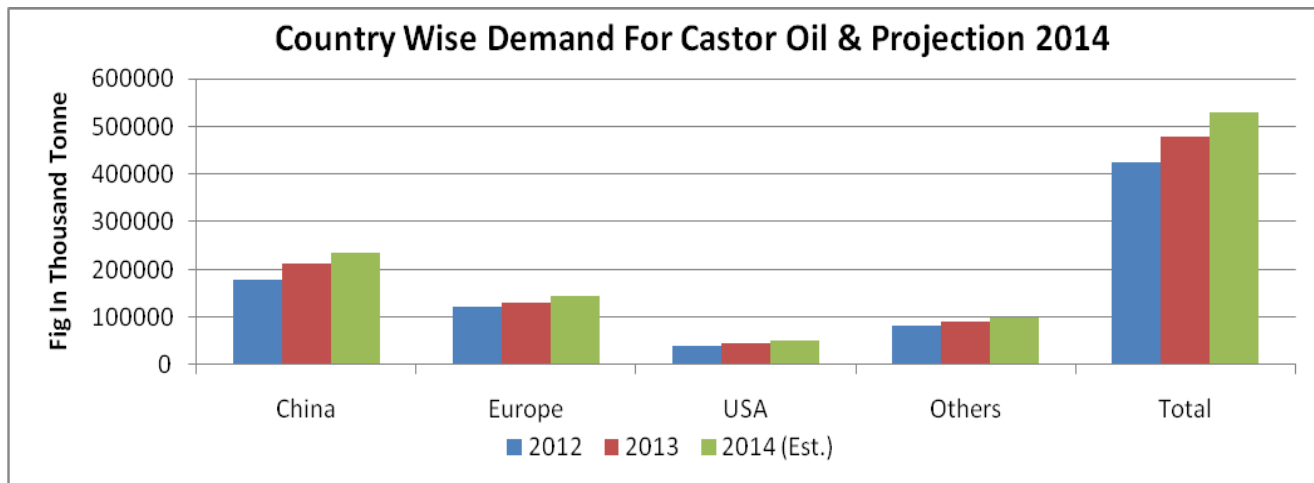
### Castor Seed arrival Chart:



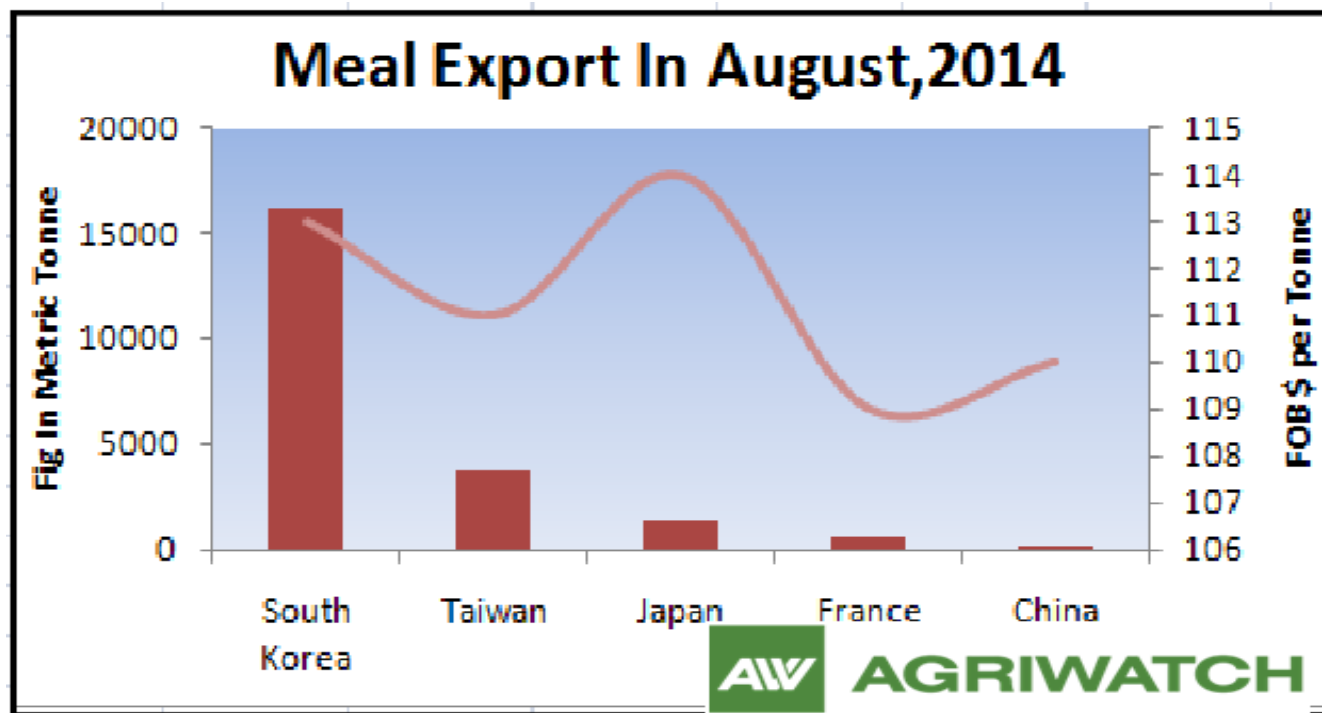
Castor seed arrivals in major markets have increased considerably in comparison to last week. Major jump has been seen in Patan and Deesa. However, flow of arrivals is unlikely to continue. Overall sentiments remain bullish.

### 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.

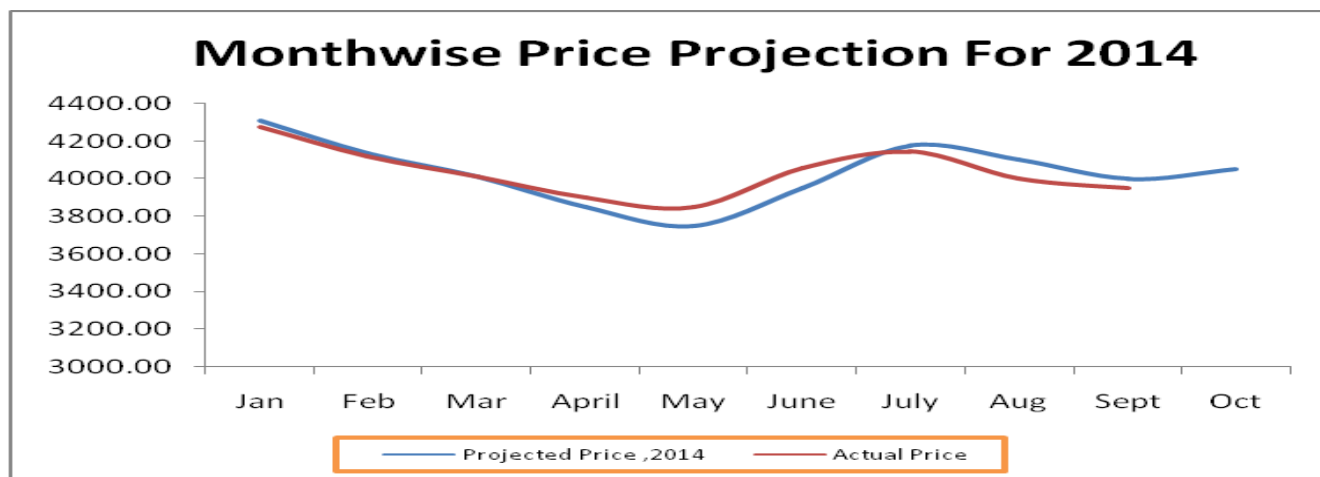


#### Castor Meal Export:



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:

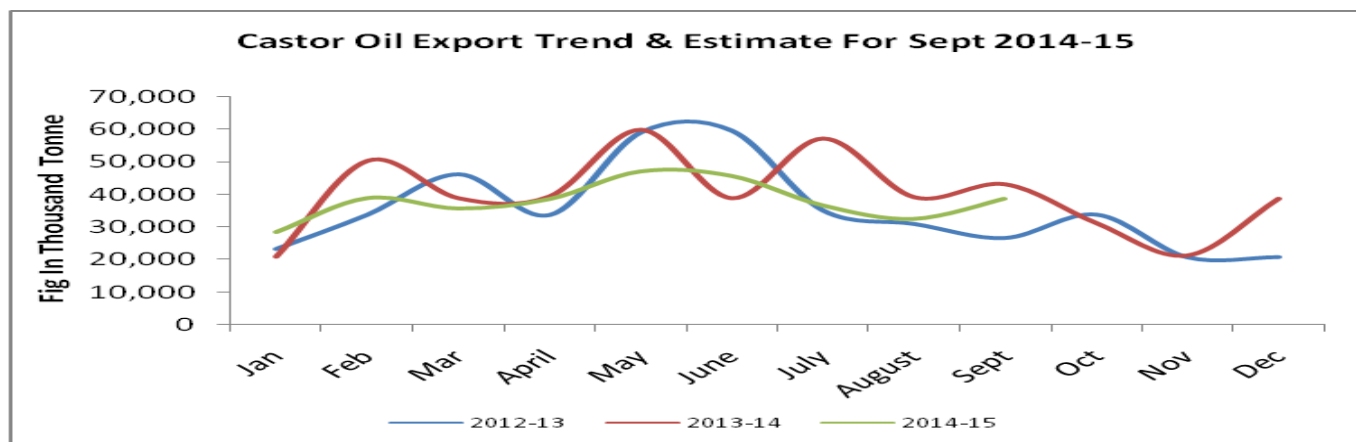


Blue line indicates projected price for seed based on seasonality and demand –supply factors concluded by Agriwatch. Red line indicates actual price movement in the market so far. Seed price may hover in the range of Rs 4250 to Rs 4300 per qtl. in Deesa market.

### Cash Market Price Outlook For Deesa Spot:

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	4250-4300	4300-4350
Medium Term (30 days)	4400-4425	4450-4500

### Castor Oil Export Trend:



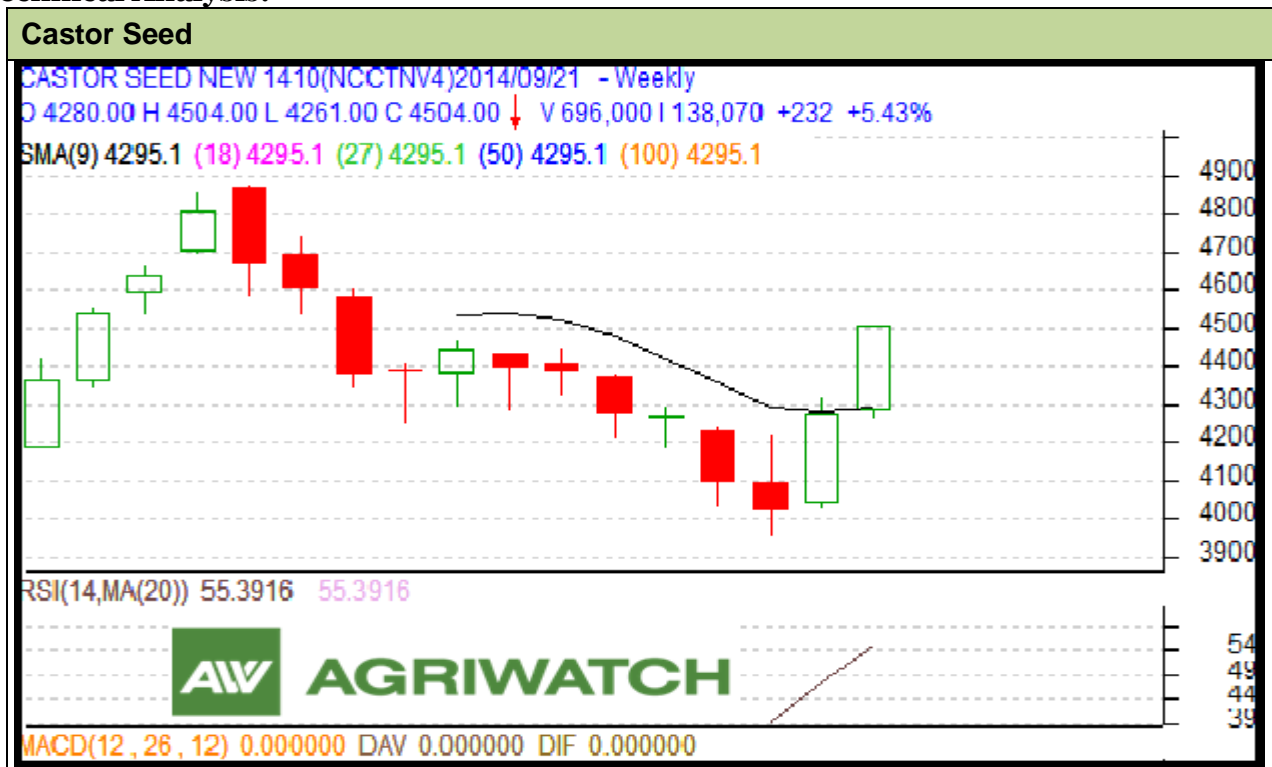
Castor oil export declined unexpectedly from June to August. However, it is likely to rebound in Sept as stock with major importers has declined and fresh buying is expected from mid Sept. Price of seed is expected to stabilize in Sept. The reason of lower export is attributed mainly to higher seed price 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 Note update not available

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 by support is 4417 while first resistance 4526.
- Stake Holders are advised to buy on dip.

**Strategy:** sell on rise

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Castor Seed	NCDEX	Oct	4417	4350	4504	4526	4675
Pre-Market Intraday Trade Call*			Call	Entry	T1	T2	SL
Castor Seed	NCDEX	Oct	sell	Above 4525	4460	4418	4550

Commodity	Center	Market	Price (Rs/Q)		Change
			26-Sep-14	19-Sep-14	
Castor Seed	Rajasthan	Sumerpur	3970	3875	95
		Jodhpur	3900	3800	100
	Gujarat	Rajkot	3870	3835	35
		Gondal	3680	3905	-225

## Castor Weekly Report 29<sup>th</sup> Sept, 2014

		Patan	4165	4060	105
		Deesa	4370	4125	245
		Mehsana	4225	4025	200
		Kadi	4125	4030	95
		Ahmedabad	4175	4100	75

Castor Price Weekly						
Commodity	Center	Market	Price (Rs/Q)			
			Today	Week Ago	Month Ago	6 Month Ago
			26.Sep.14	19.Aug.14	26-Aug-14	26-Mar-14
Castor Seed	Rajasthan	Sumerpur	3970	3875	3875	3720
		Jodhpur	3900	3800	3850	NR
	Gujarat	Rajkot	3870	3835	3905	3885
		Gondal	3680	3905	3905	3905
		Patan	4165	4060	4090	4000
		Deesa	4370	4125	4120	4050
		Mehsana	4225	4025	4075	3940
		Kadi	4125	4030	4020	3970
		Ahmedabad	4175	4100	4025	3950

### Castor Seed Weekly Arrivals Scenario on 26.09.2014

Commodity	Center	Market	Fig. in Quintal		Change %
			26.Sep.14	19-Aug-14	
Castor Seed	Rajasthan	Sumerpur	760	312	448
		Jodhpur	960	1400	-440
	Gujarat	Rajkot	2370	2785	-415
		Gondal	2021	1986	35
		Patan	15470	8350	7120
		Deesa	8306	5639	2667
		Mehsana	3400	1440	1960
		Kadi	7680	2268	5412
		Ahmedabad	41553	39932	1621
	Total Arrival		82520	64112	18408

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