

**Castor Domestic Fundamentals:-**

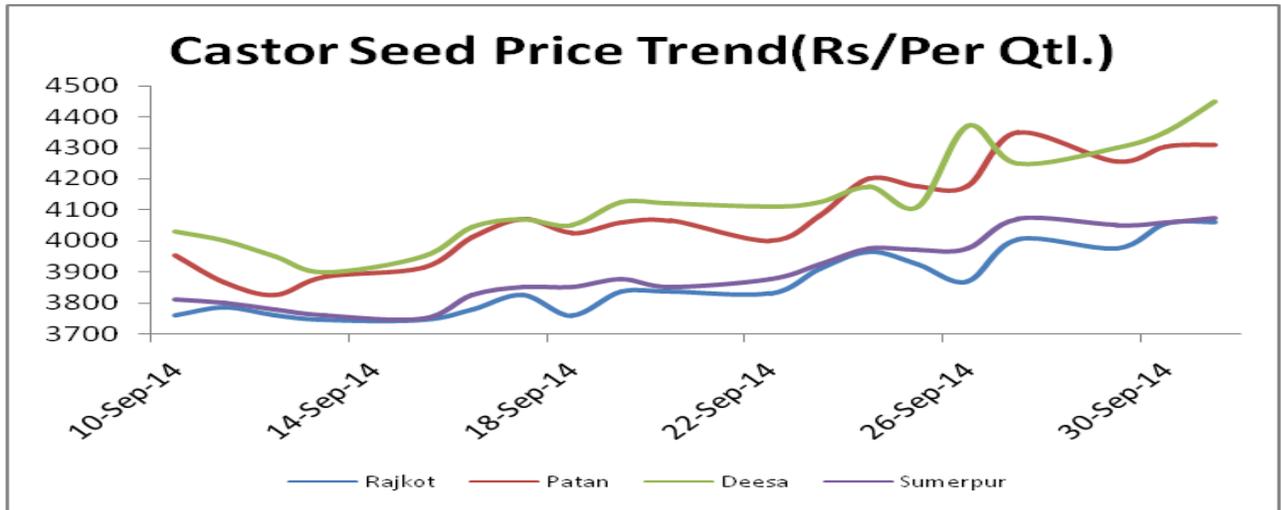
- **No major movement was seen in castor seed market due to continuous holidays** during the week under review. Mostly markets remain closed. FoB quote at Kadla to have increased from \$1420 to \$1425 per tonne and quote may go up further at least by \$10 per tonne this week.
- **Area under castor seed has gone up to 10.23 lakh ha.(till 25 Sept.)** against 9.33 lakh ha last year, an increase of almost 90 thousand ha. It hints higher production this year as weather so far has been favourable in Rajasthan, Gujarat (except one round of heavy rains) and Andhra Pradesh. Sowing is almost over and it may end up with 10 .30/35 lakh ha. Area in Rajasthan has been registered at 1.49 ha almost 0.43 thousand ha lower than last year. However, it has improved considerably in Gujarat to 7.22 lakh ha against 5.73 lakh ha last year. There is a slight variation in minor producing states.
- **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 0.90 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 mid October.

**International Market Update:**

- **Major buyers like China, EU and US may increase buying in increasing** market. Current FOB quotes in Kandla hover in the range of \$1425 to \$1430 per tonne. Buyers bids are in the range of \$1420 to \$1430 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 \$1715 to \$1730 per tonne.** More buying may support price. However a correction is due in the market.

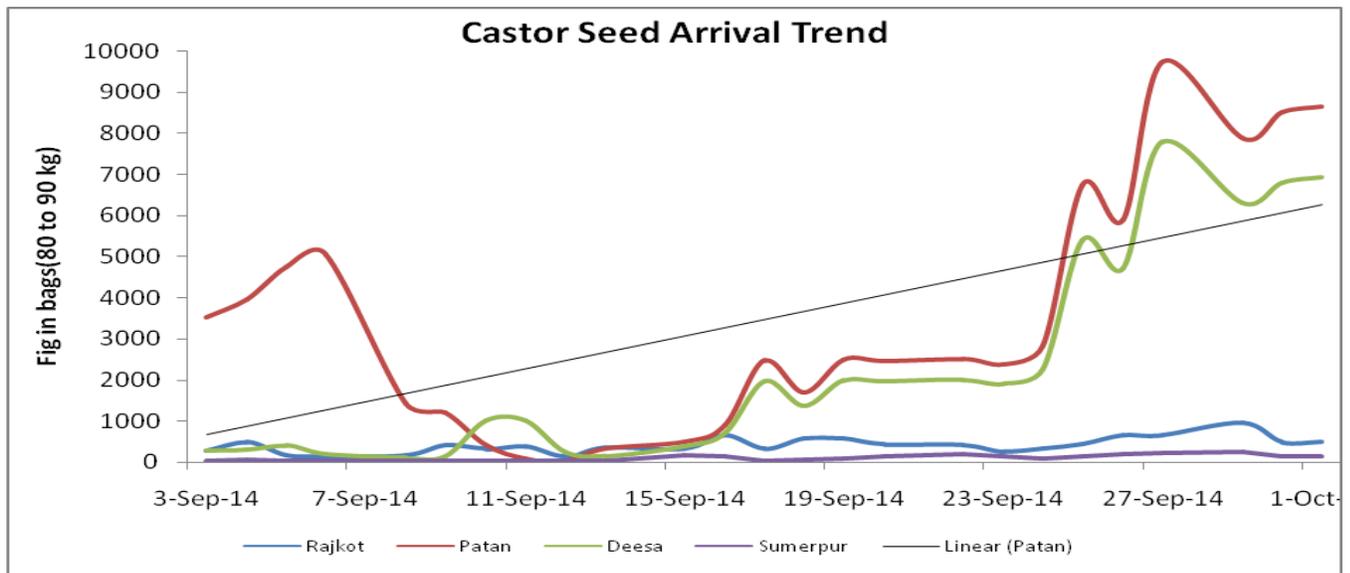
**Domestic market Outlook:** Market may trade steady to slightly firm.

**Castor Seed Price Chart:**



Cash market traded up during the first week of Oct . 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.

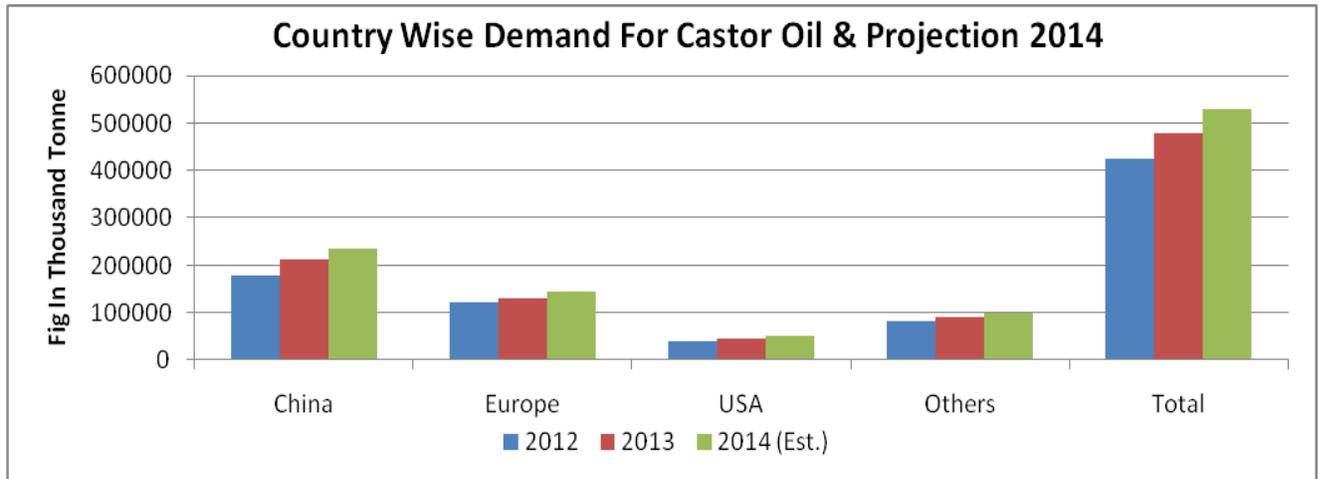
**Castor Seed arrival Chart:**



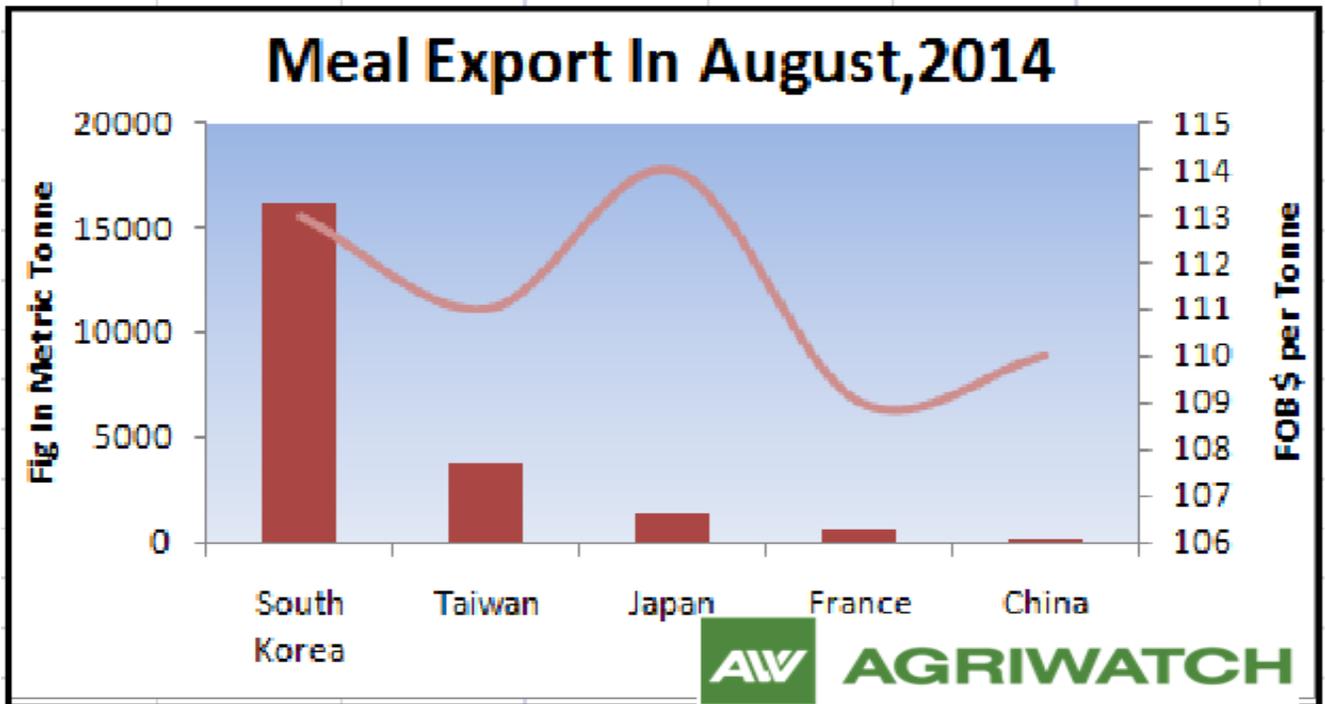
Castor seed arrivals in major markets have increased considerably in comparison to last week. Major jump has been seen in Patan and Deesa However, flow of arrivals is unlikely to continue. Overall sentiments remain bullish. Arrival is likely to decrease in the weeks ahead.

**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.

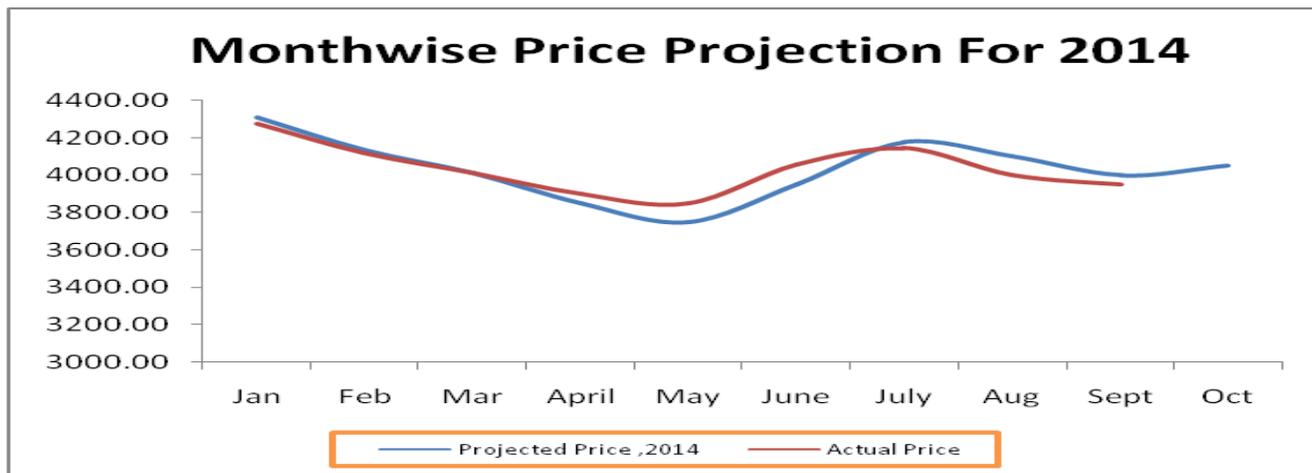


**Castor Meal Export:**



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:**

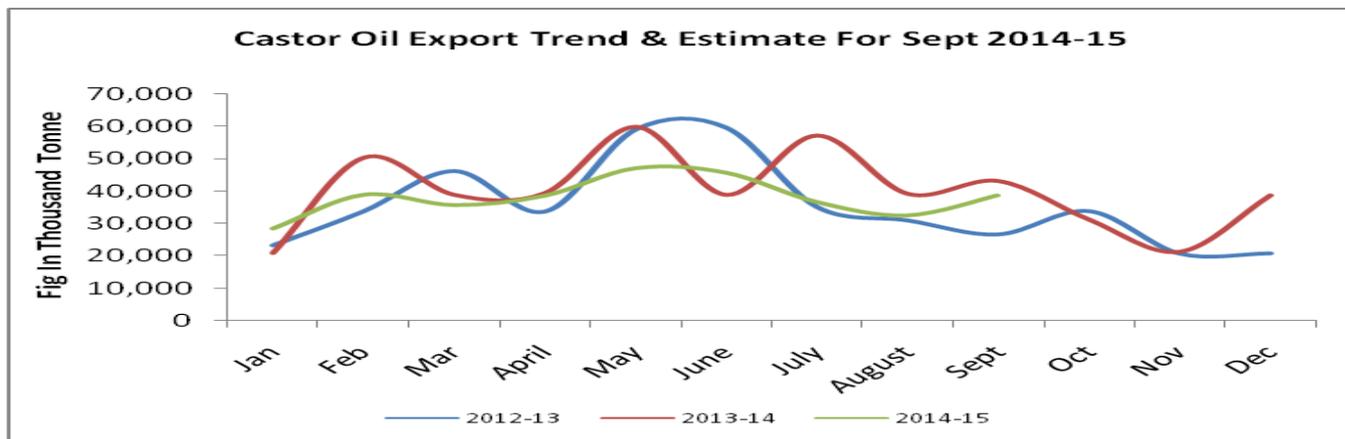


Blue line indicates projected price for seed based on seasonality and demand –supply factors concluded by Agriwatch. Red line indicates actual price movement in the market so far. Seed price may hover in the range of Rs 4250 to Rs 4300 per qtl. in Deesa market.

**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:**



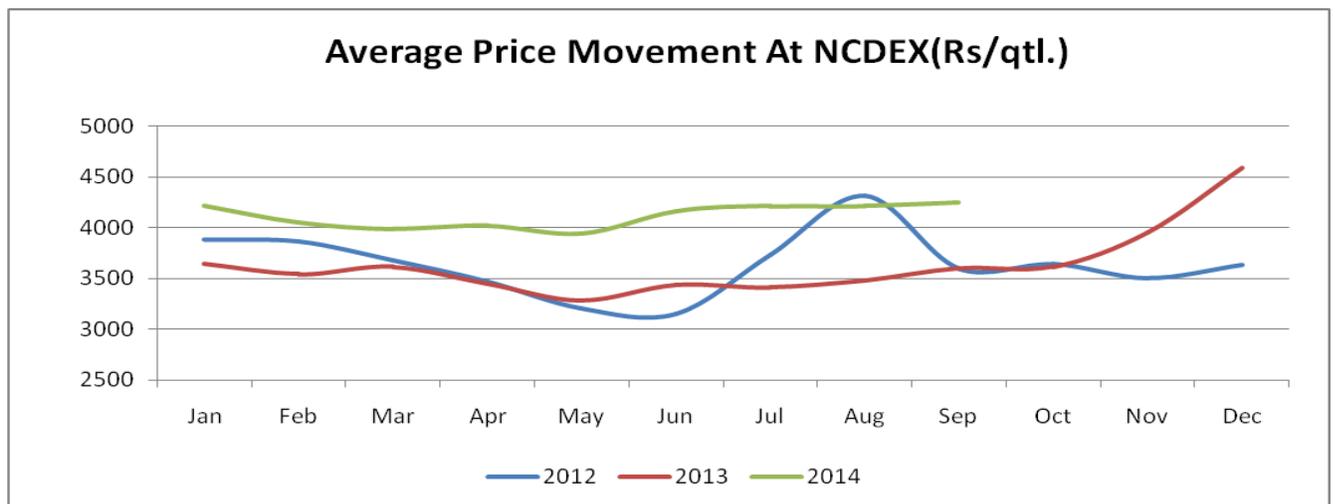
Castor oil export declined unexpectedly from June to August. However, it is likely to rebound in Sept as stock with major importers has declined and fresh buying is expected from mid Sept. Price of seed is expected to stabilize in Sept. The reason of lower export is attributed mainly to higher seed price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

Comparative Prices Of Castor Products Including Seed					
	25 <sup>th</sup> Sept'14	19 <sup>th</sup> Sept'14	25 <sup>th</sup> Aug'14	Sept/A ve/201 3	Change % from last year
Castor seed (Gujarat)((Rs./M.T) Ex-Mandi	41750	41250	41750	36200	15.53
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	112	110	110	95	17.89
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	6550	6450	6300	5873	11.53
Castor Oil (First Grade) FOB Kandla (Export)\$/Tonne	1430	1420	1430	1218	17.41
Local rates for oil in domestic market(Rs./M.T.) for comm.	84500	84000	85500	74723	13.08

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.

### 3. Yearly Average Price Variations At NCDEX :



Technical Analysis:



**Technical Commentary:**

- Candlestick chart shows bullish tone in the futures market.
- RSI moving steady in neutral hints range bound movement.
- Momentum indicator MACD is in positive territory cautions bears.
- The nearest by support is 4450 while first resistance 4526.
- Stake Holders are advised to buy on dip.

**Strategy: Buy on dip**

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Castor Seed	NCDEX	Oct	4450	4400	4500	4526	4675
Pre-Market Intraday Trade Call*			Call	Entry	T1	T2	SL
Castor Seed	NCDEX	Oct	Buy	below 4452	4490	4525	4437

**Cash Markets Price Movement:**

Commodity	Center	Market	Price (Rs/Q)		Change
			1-Oct-14	26-Sep-14	
Castor Seed	Rajasthan	Sumerpur	4060	3970	90
		Jodhpur	3900	3900	Unch
	Gujarat	Rajkot	4050	3870	180
		Gondal	4105	3680	425
		Patan	4375	4165	210
		Deesa	4550	4370	180
		Mehsana	4250	4225	25
		Kadi	4200	4125	75
		Ahmedabad	4250	4175	75

Castor Price Weekly Variations						
Commodity	Center	Market	Price (Rs/Q)			
			Today	Week Ago	Month Ago	6 Month Ago
			1.Oct.14	26-Sep-14	1-Aug-14	31-Mar-14
Castor Seed	Rajasthan	Sumerpur	4060	3970	3980	3750
		Jodhpur	3900	3900	3850	3885
	Gujarat	Rajkot	4050	3870	3930	3905
		Gondal	4105	3680	4055	4000
		Patan	4375	4165	4210	4175
		Deesa	4550	4370	4200	3940
		Mehsana	4250	4225	4150	4000
		Kadi	4200	4125	4045	3950
		Ahmedabad	4250	4175	4100	NR

**Castor Seed Weekly Arrivals Scenario on 01.10.2014**

Commodity	Center	Market	Fig. in Quintal		Change %
			1.Oct.14	26-Sep-14	
Castor Seed	Rajasthan	Sumerpur	480	760	-280
		Jodhpur	640	960	-320
	Gujarat	Rajkot	2880	2370	510
		Gondal	1513	2021	-508
		Patan	35939	15470	20469

	Deesa	11979	8306	<b>3673</b>
	Mehsana	2900	3400	<b>-500</b>
	Kadi	6960	7680	<b>-720</b>
	Ahmedabad	17829	41553	<b>-23724</b>
	<b>Total Arrival</b>	<b>81120</b>	<b>82520</b>	<b>-1400</b>

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