

#### Castor Domestic Fundamentals: -

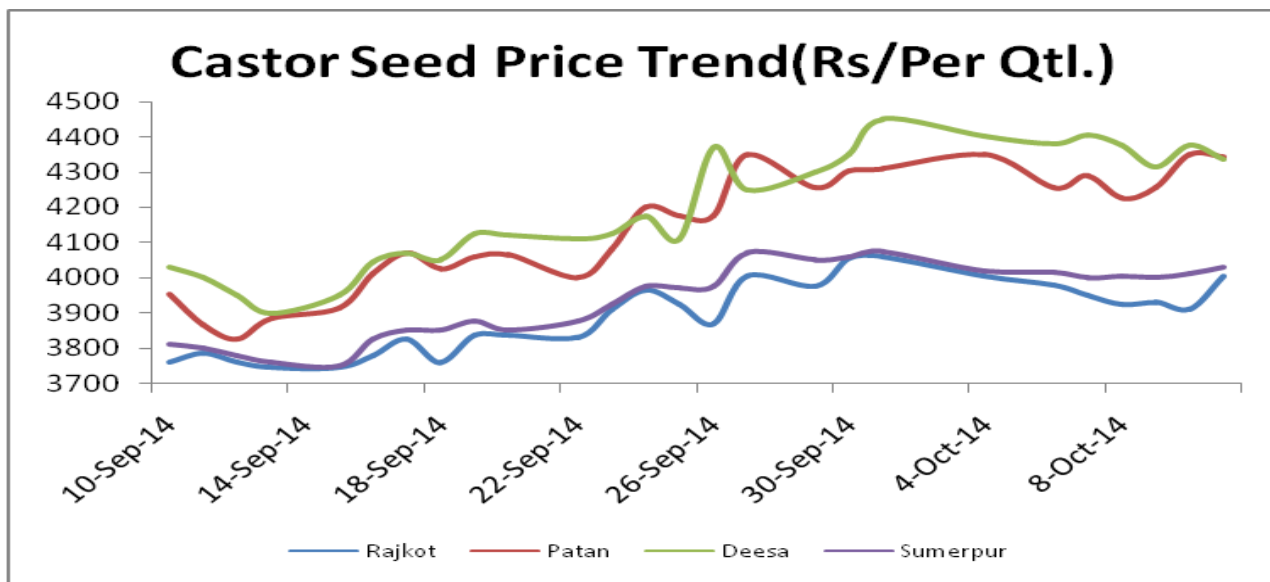
- **Castor seed traded mixed during the week under review.** The week started with bearish tone and decreased around 2 percent and from mid week it started firming up. However, bullish sentiment could not sustain. Again on Friday seed price moved up taking clue from futures market. Market participants say that firmness is unlikely to continue and market may decrease again week starting from 13<sup>th</sup> October.
- **Castor seed area increased to 10.24 lakh ha on 1<sup>st</sup> Oct, 2014** against last year's coverage of 9.59 lakh ha. till date. It is almost 65 thousand ha. higher than last year's coverage. Five year average of area is 9.39 lakh ha.. In the first adv estimate for 2014-15 govt has estimated 19.6 lakh tonne castor production for 2014-15. Area in Gujarat was registered at 7.22 lakh ha against 5.98 lakh ha last year. Area coverage in Rajasthan has not been up to the mark and total 1.49 lakh ha covered so far against 1.92 lakh ha last year.
- **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 0.65 lakh ha, overall production is set to increase this year.
- **Castor seed x-mandi price in Gujarat has increased from Rs 41750 per tonne** to Rs 43250 per tonne at previous trading session. Price gap between Oct.1<sup>st</sup>, 2013 and 1<sup>st</sup> Oct 2014 is almost 21.36 percent now. Castor commercial grade oil is being traded at 86000 per tonne, almost higher by Rs 1500 per tonne from previous week. It is 17.33 percent higher than price realized in Oct- 2013.
- **Castor meal FOR is being quoted at Rs 6550 per tonne, moderately higher** (Rs 6500 per tonne) than previous week. It is 13.32 percent higher than the price realized during Oct 2013. FOB Quote for Castor oil first grade at Kandla has increased from \$1430 to \$1435 per tonne in last one week. However, it is almost 16.48 percent higher than the price realised in Oct 2013. Castor meal export price for bulk quantity too has stayed steady at \$112 per tonne. However, it is higher by 20.43 percent from Oct, 2013.
- **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. 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 \$1430 to \$1432 per tonne. Buyers bids are in the range of \$1425 to \$1430 per tonne on FOB basis Kandla.
- **Unconfirmed sources say that no fresh deal has been struck on** last week. China, EU and South Asian countries are active to import castor meal and oil but in a limited way. Castor oil export deal from Kandla port has been confirmed at \$1420 per tonne (on Fob basis) while meal deal is being done at \$111 per tonne. During August total oil export was registered at 38960 tonne against 36766 tonne in July. India has exported 207,387 tonne during April to August, 2014.
- **However, price of castor oil in Rotterdam too has increased from \$1723 to \$1728 per metric tonne** during last one week. Buyers like EU, USA and China remain sidelined in the month of Sept and restricted buyings have been witnessed so far.

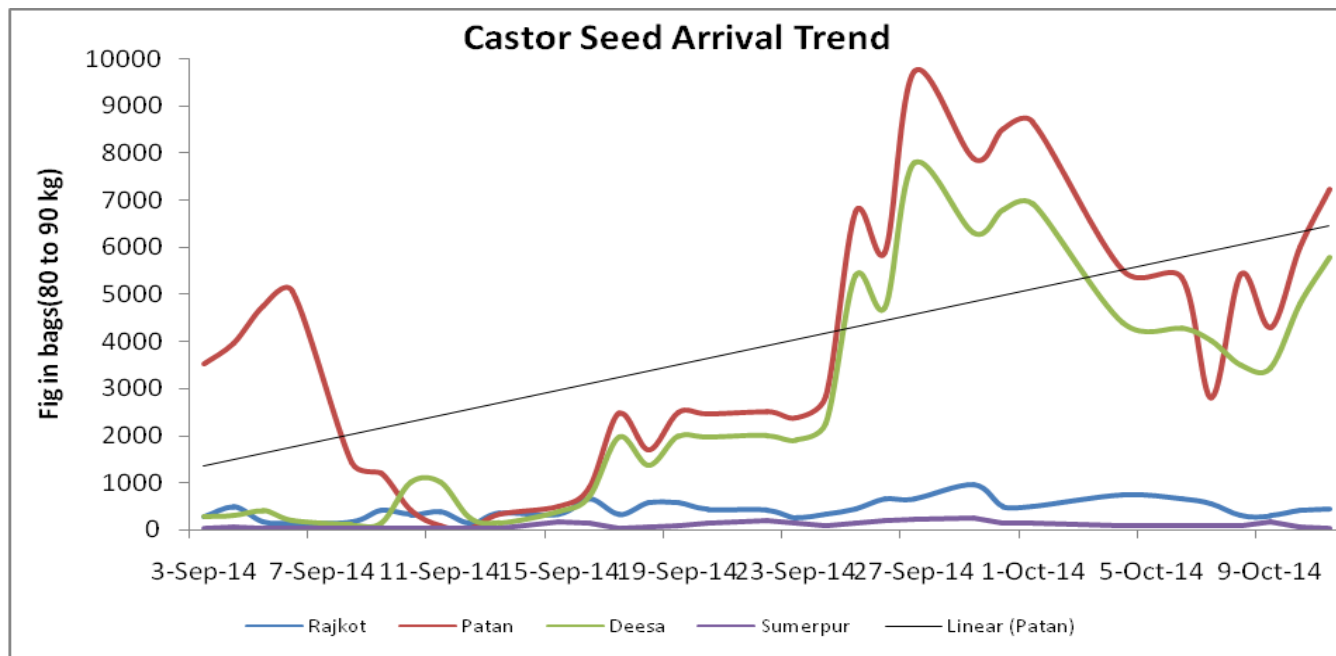
**Domestic market Outlook:** Market may trade steady to slightly weak.

**Castor Seed Price Chart:**



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

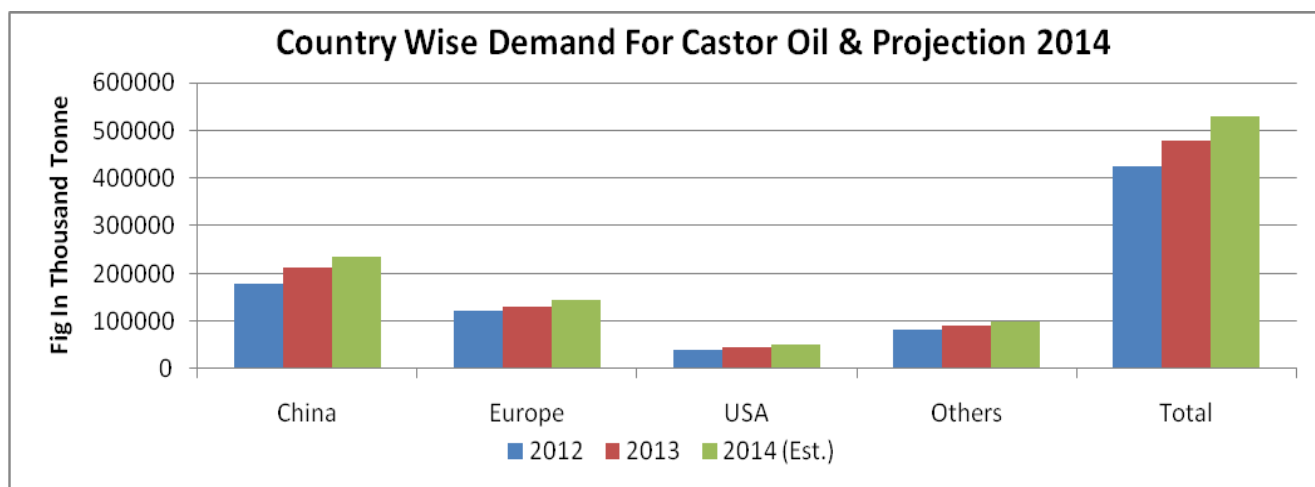
**Castor Seed arrival Chart:**



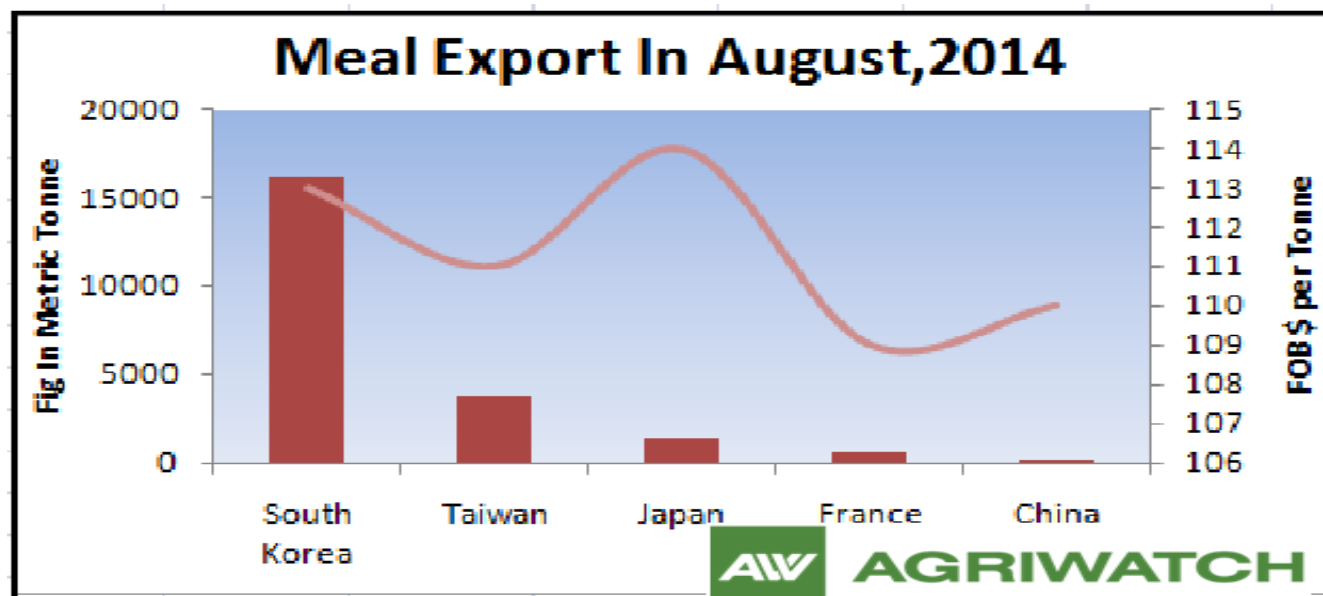
Castor seed arrivals in major markets have increased considerably in comparison to last week. Major jump has been seen in Patan and Deesa. However, flow of arrivals is unlikely to continue. Overall sentiments remain bullish. Arrival is likely to decrease in the weeks ahead.

### 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 18,000 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 28,550 tonne. US monthly buying has been steady at 4,250 tonne.

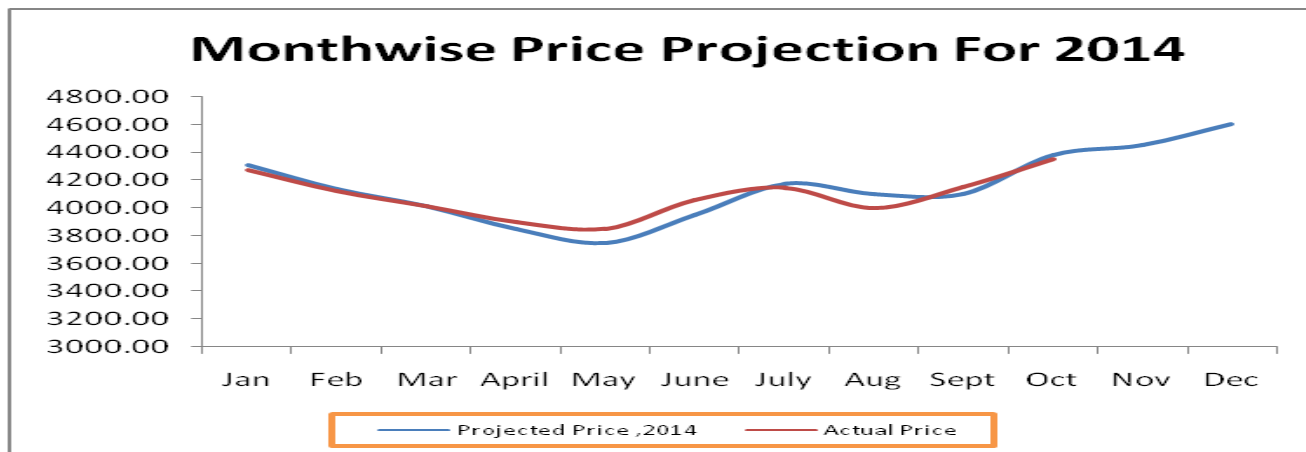


### Castor Meal Export:



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:**

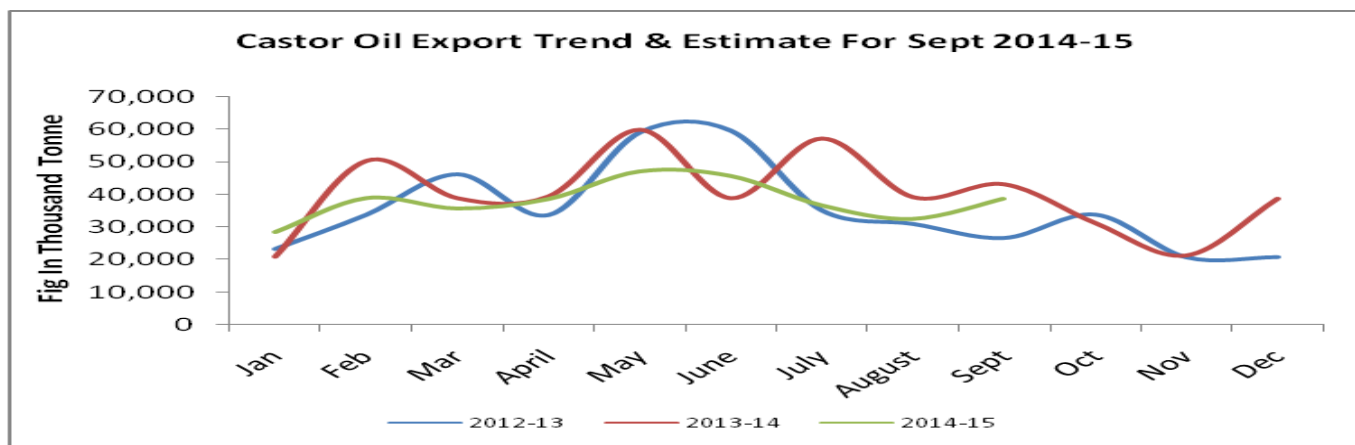


Blue line indicates projected price for seed based on seasonality and demand –supply factors concluded by Agriwatch. Red line indicates actual price movement in the market so far. Seed price may hover in the range of Rs 4250 to Rs 4350 per qtl. in Deesa market.

**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

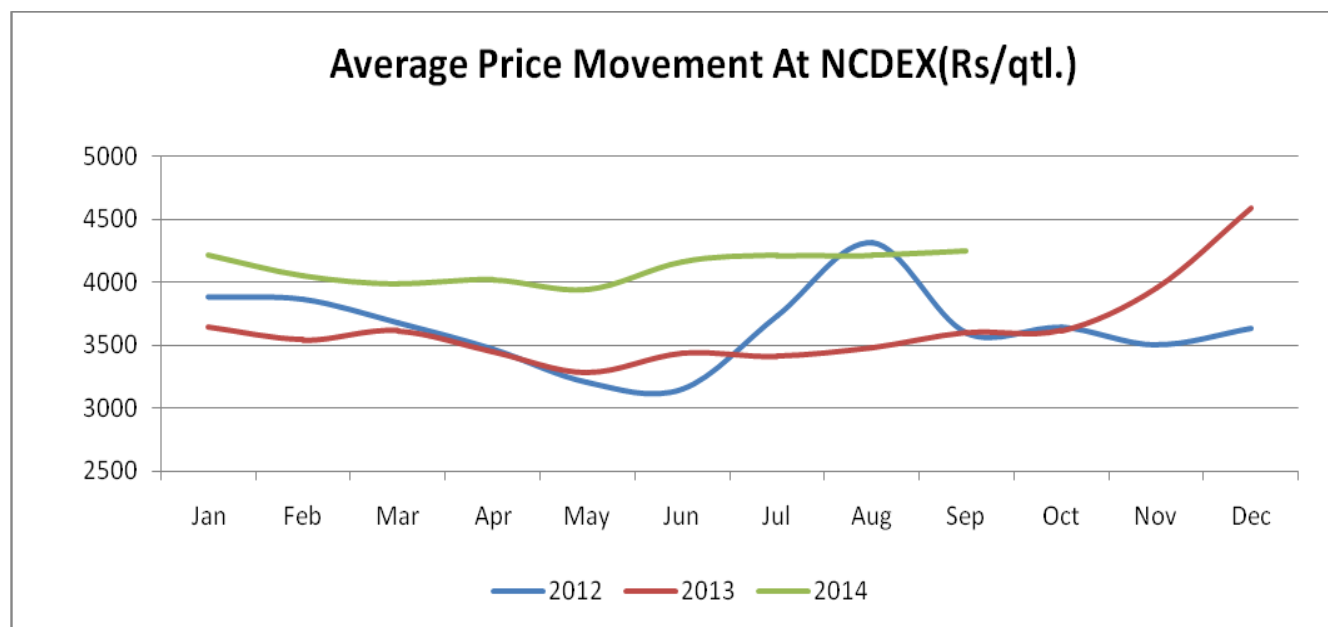
expected to stabilize in Sept. The reason of lower export is attributed mainly to higher seed price this year. Uptrend in castor seed is expected October onward.

Comparative Prices Of Castor Products Including Seed					
	10 <sup>th</sup> Oct,14	1 <sup>st</sup> Oct'14	10 <sup>th</sup> Sept,'14	10 <sup>th</sup> Oct 2013	Change % from last year
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	42500	43250	40750	35638	19.25
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	112	112	108	93	20.43
<b>EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla</b>	6550	6550	6350	5780	13.32
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1435	1430	1415	1232	16.07
<b>Local rates for oil in domestic market(Rs./M.T.) for comm.</b>	84500	86000	83500	73296	15.29

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 86000 to Rs 84500 per tonne. Fob quote for castor oil at Kandla has decreased from \$1435 to \$ 1430 per tonne.Meal price too have increased by \$2 per tonne to \$112 per tonne during the week under review.

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



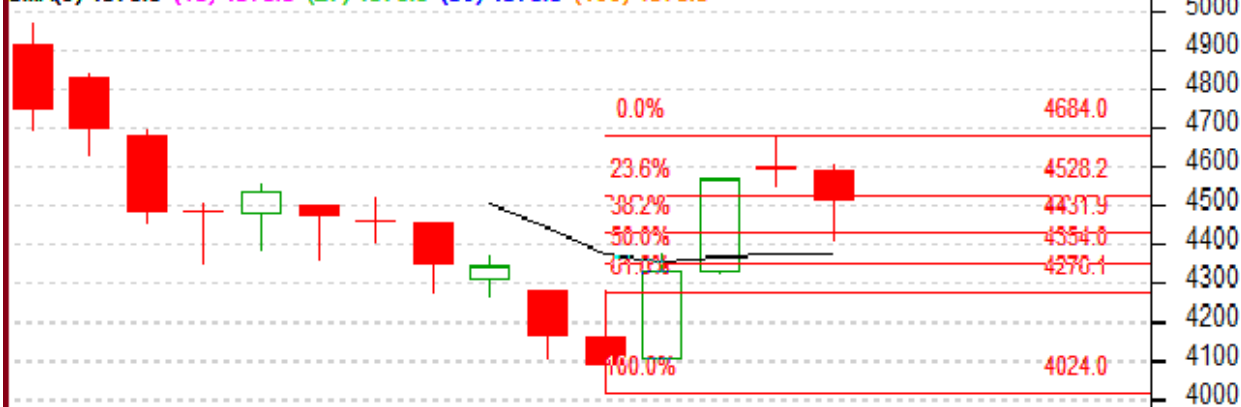
## Technical Analysis:

### Castor Seed

CASTOR SEED NEW 1411(NCCTNX4)2014/10/05 - Weekly

O 4588.00 H 4610.00 L 4410.00 C 4514.00 ↓ V 478,710 | 221,240 -74 -1.61%

SMA(9) 4378.8 (18) 4378.8 (27) 4378.8 (50) 4378.8 (100) 4378.8



RSI(14,MA(20)) 48.7228 48.7228



AGRIWATCH

### Technical Commentary:

- Candlestick chart shows bearish 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 4600.
- Stake Holders are advised to SELL on RISE.

### Strategy: Buy on dip

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Castor Seed	NCDEX	NOV	4450	4400	4514	4600	4681
Pre-Market Intraday Trade Call*			Call	Entry	T1	T2	SL
Castor Seed	NCDEX	NOV	SELL	ABOVE 4575	4480	4451	4601

## Cash Markets Price Movement:

Commodity	Center	Market	Price (Rs/Q)		Change
			10-Oct-14	1-Oct-14	
Castor Seed	Rajasthan	Sumerpur	400	4060	-3660
		Jodhpur	3900	3900	Unch
	Gujarat	Rajkot	3910	4050	-140
		Gondal	4055	4105	-50
		Patan	4350	4375	-25
		Deesa	4375	4550	-175
		Mehsana	4185	4250	-65
		Kadi	4150	4200	-50
		Ahmedabad	4150	4250	-100

Castor Price Weekly						
Commodity	Center	Market	Price (Rs/Q)			
			Today	Week Ago	Month Ago	6 Month Ago
			10.Oct.14	1-Oct-14	10-Sep-14	9-Apr-14
Castor Seed	Rajasthan	Sumerpur	400	4060	3810	3700
		Jodhpur	3900	3900	3800	NR
	Gujarat	Rajkot	3910	4050	3760	3775
		Gondal	4055	4105	3905	3780
		Patan	4350	4375	3955	4000
		Deesa	4375	4550	4050	3850
		Mehsana	4185	4250	3950	3850
		Kadi	4150	4200	3975	4000
		Ahmedabad	4150	4250	4000	3850

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