

### Castor Domestic Fundamentals: -

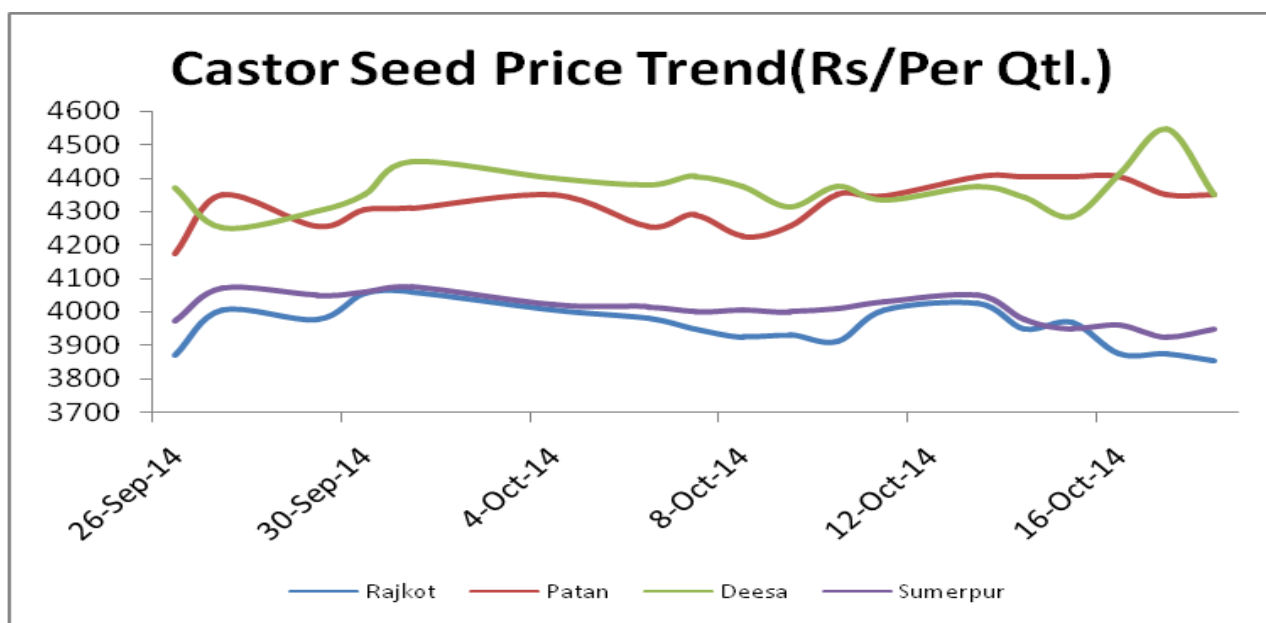
- **Castor seed cash market prices traded under pressure** at the weekend due to sluggish trading activities, buyer's unwillingness to buy in prevailing weak market inner tone and weak demand for castor products. Crop condition is good so far and production is set to increase this year. No major movement is expected this week due to holidays starting from mid week to the end of the week.
- **Castor area coverage of around 10.36 lakh ha can** roughly be taken as final coverage Castor seed area increased to 10.36 lakh ha on 1<sup>st</sup> Oct, 2014 against last year's coverage of 9.84 lakh ha. till date. It is almost 50 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.
- **Market is hovering almost in the same range** we had seen last week. 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 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 \$1727** 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 wait for fresh buying in weak market sentiments.** Current FOB quotes in Kandla hover in the range of \$1425 to \$1430 per tonne. Buyer's 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 \$1425 per tonne (on Fob basis) while meal deal is being done at \$112 per tonne. During Sept total oil export was registered at around 36560 tonne against 38960 tonne in August. 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 buying's have been witnessed so far.

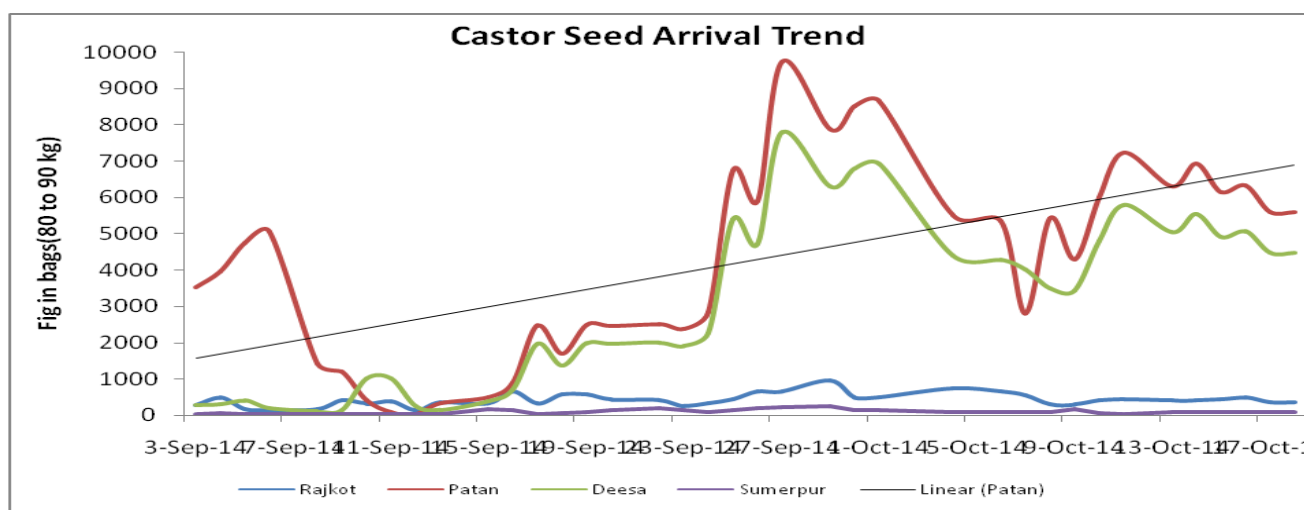
**Domestic market Outlook: Market may trade steady to slightly weak.**

### Castor Seed Price Chart:



Deesa market traded down the in the week review. Prices in Patan, Sumerpur, Rajkot and Deesa have decreased slightly due to sluggish buying interest and lower demand for castor products. Due to continuous holidays from mid of the week market is expected to trade range bound to weak.

### Castor Seed arrival Chart:

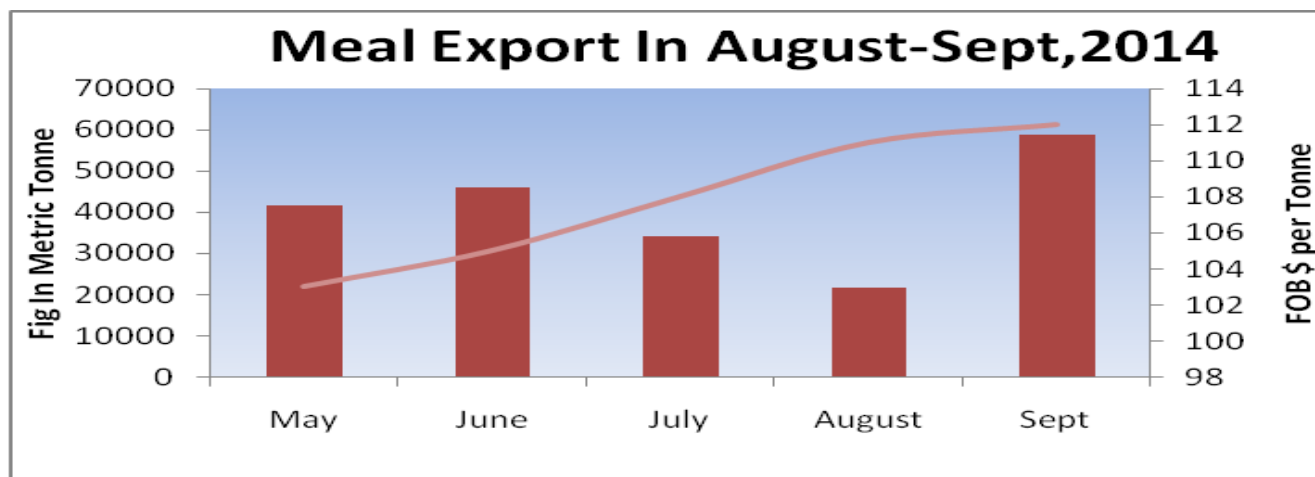


Castor seed arrivals in major markets have decreased considerably in comparison to last week. Major dip has been seen in Patan and Deesa. However, flow of lower arrivals is likely to continue. Overall sentiments remain bearish.

## Castor Seed Area:

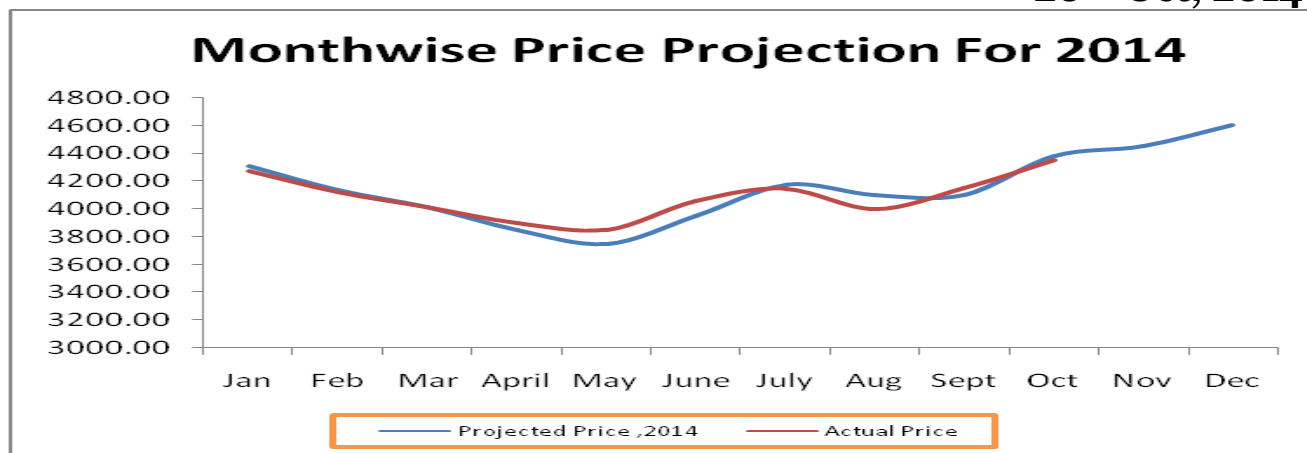
<b>Comparative Castor Area In Lakh Hectare</b>			
<i>Castor Area</i>	<b>2014</b>	<b>2013</b>	<b>Change</b>
<i>Andhra Pradesh</i>	0.46	0.45	0.01
<i>Telangana</i>	0.66	0.83	-0.17
<i>Bihar</i>	0.01	0.01	0
<i>Gujarat</i>	7.33	6.22	1.11
<i>Haryana</i>	0.01	0.01	0
<i>Karnataka</i>	0.12	0.14	-0.02
<i>Maharashtra</i>	0.17	0.15	0.02
<i>Odisha</i>	0.07	0.07	0
<i>Rajasthan</i>	1.49	1.92	-0.43
<i>Tamil Nadu</i>	0.04	0.04	0
<i>Total – All India</i>	10.36	9.84	0.52
<i>Covered area as on 9th October, 2014</i>			
<i>Source : Ministry of Agriculture, GOI</i>			

## Castor Meal Export:



Meal export in August was registered at 21814 tonne against 58777 tonne in Sept, 2014 at an average fob price of \$108 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 Oct. For Seed:**

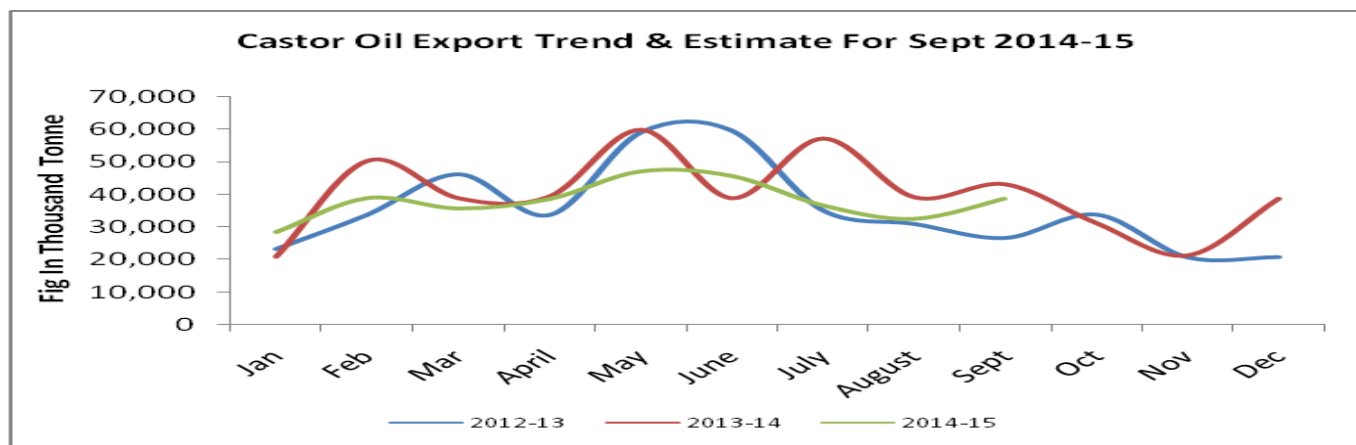


Blue line indicates projected price for seed based on seasonality and demand –supply factors concluded by Agriwatch. Red line indicates actual price movement in the market so far. Seed price may hover in the range of Rs 4300 to Rs 4350 per qtl. in Deesa market.

### 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	4425-4450

### Castor Oil Export Trend:



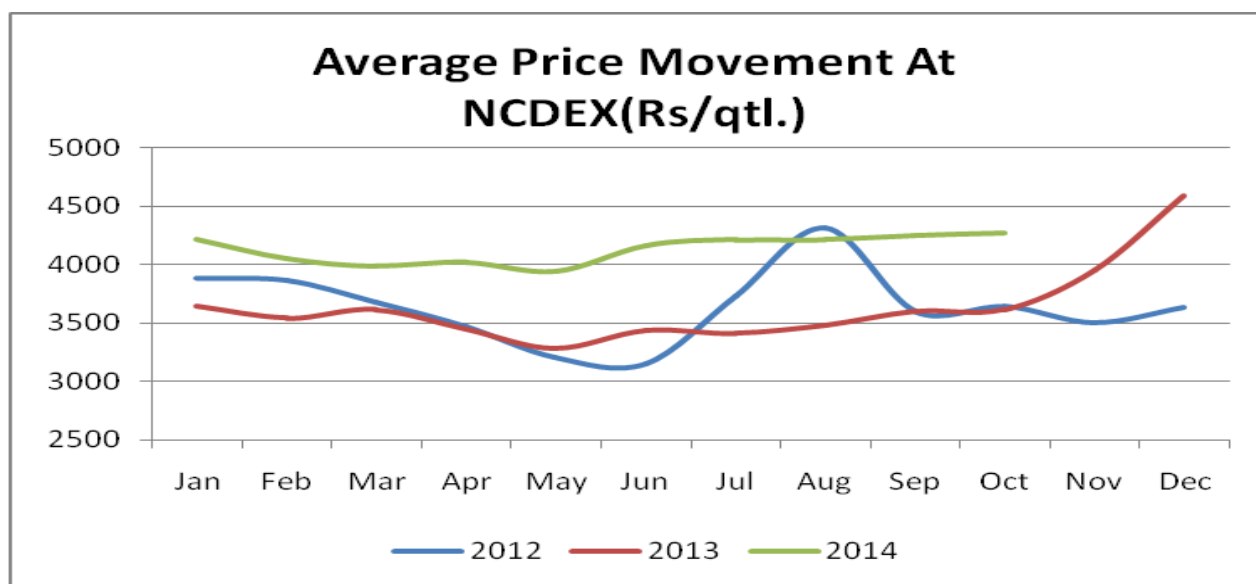
Castor oil export declined unexpectedly from June to August. However, it is likely to rebound in Sept as stock with major importers has declined and fresh buying is expected from mid Sept. price of seed is expected to stabilize in Sept. The reason of lower export is attributed mainly to higher seed price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

Comparative Prices Of Castor Products Including Seed					
	17 <sup>th</sup> Oct,14	10 <sup>th</sup> Oct'14	17 <sup>th</sup> Sept,'14	17 <sup>th</sup> Oct 2013	Change % from last year
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	42500	42500	48000	48310	2.40
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	112	112	110	93	16.96
<b>EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla</b>	6550	6550	6350	5780	11.76
Castor Oil (First Grade) FOB Kandla (Export)\$/Tonne	1430	1430	1430	1415	1.05
<b>Local rates for oil in domestic market(Rs./M.T.) for comm.</b>	85000	84500	84000	73296	13.77

Source: SE Note update not available

No major change has been seen in prices during the week under review. Short term outlook remains bearish. However commercial grade oil price has decreased slightly this week from Rs 84500 to Rs 85000 per tonne. Fob quote for castor oil at Kandla stayed steady at 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:



### 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 4325 while first resistance 4500.
- Stake Holders are advised to SELL on RISE.

### Strategy: Sell on rise

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Castor Seed	NCDEX	NOV	4325	4285	4397	4500	4581
Pre-Market Intraday Trade Call*			Call	Entry	T1	T2	SL
Castor Seed	NCDEX	NOV	SELL	below 4425	4350	4325	4445

### Cash Markets Price Movement:

Commodity	Center	Market	Price (Rs/Q)		Change
			17-Oct-14	10-Oct-14	
Castor Seed	Rajasthan	Sumerpur	3925	4000	-75
		Jodhpur	3800	3900	-100

	<b>Gujarat</b>	Rajkot	3875	3910	<b>-35</b>
		Gondal	4055	4055	<b>Unch</b>
		Patan	4350	4350	<b>Unch</b>
		Deesa	4645	4375	<b>270</b>
		Mehsana	4160	4185	<b>-25</b>
		Kadi	4125	4150	<b>-25</b>
		Ahmedabad	4200	4150	<b>50</b>

Castor Price Weekly						
Commodity	Center	Market	Price (Rs/Q)			
			Today	Week Ago	Month Ago	6 Month Ago
			17.Oct.14	10.Oct.14	17-Sep-14	17-Apr-14
<b>Castor Seed</b>	<b>Rajasthan</b>	Sumerpur	3925	4000	3850	3600
		Jodhpur	3800	3900	3800	NR
	<b>Gujarat</b>	Rajkot	3875	3910	3825	3780
		Gondal	4055	4055	3880	3830
		Patan	4350	4350	4070	3975
		Deesa	4645	4375	4070	3810
		Mehsana	4160	4185	4050	3875
		Kadi	4125	4150	4025	3900
		Ahmedabad	4200	4150	4050	3900

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