

**Castor Domestic Fundamentals:-**

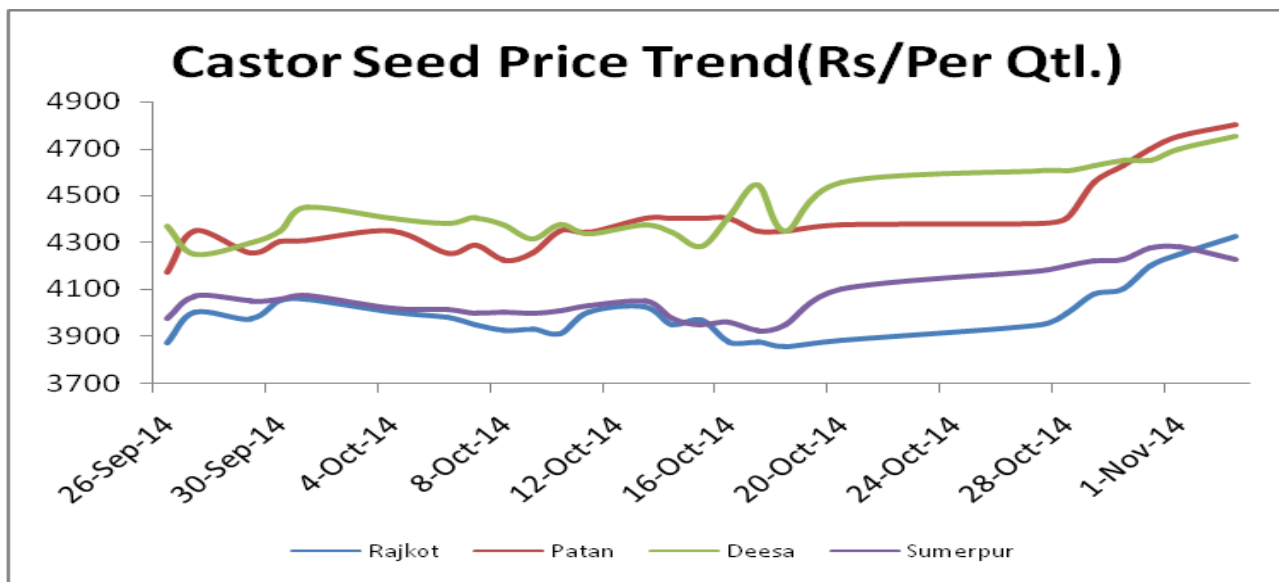
- **Cash market traded firm during the week under review due** to fresh buying back up from major planters supported by fear of lower yield from producing region. Mostly (70%) crop in Gujarat is vegetative stage and it will take two to three months to hit the market. However, early sowed crop (10 %) are nearing maturity and might be enter into the market in a limited way. However, it would not impact the price adversely as farmer may hold on stock to fetch better price by mid Nov.
- **Area under castor seed was recorded at 10.35 lakh ha. on 10th Oct ,2014** against 9.84 lakh ha covered in last year. It is 52 thousand ha higher than last year. Area in Gujarat was recorded at 7.33 lakh ha against 6.22 lakh ha last year. However, area has decreased in Rajasthan from 1.92 to 1.49 lakh ha this year. Area in Andhra Pradesh has increased slightly from 1000 ha to 45 thousand ha this year. However in Telengana it has decreased from 83 to 66 thousand ha. this year. In other states. There has been no major change in area. Higher area coverage hints higher production this year as weather has been favourable till now.
- **Crop condition in irrigated area is comparatively** good and overall yield in Gujarat may be same as last year. As area coverage is higher than last year crop size would be higher by 2.0 to 2.5 lakh tonne. There is a general view in the market that crop size may touch 14.5 lakh tonne this year against last year (11.75 lakh tonne).
- **Maximum Farmers in Surender Nagar have sowed castor in guar field** due to crop damage. They have proffered to sow castor as inter-cropping with cotton. Castor occupies 10 percent of total area in Surender Nagar. Farmers expect yield 10 to 12 qtl. per acre this year, slightly lower than last year.
- **Pest infestation at early stage and during flowering stage may lower** yield this year. Farmers have sold out last year crop and they donot hold it long as they need cash in the season. They sold it in the range of 3400 to 3600 per qtl in the season. They expect higher price this year too.
- **Castor meal FOR is being quoted at Rs 6550 per tonne, unchanged from previous** week. It is 13.32 percent higher than the price realized during 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.

**International Market Update:**

- **Major buyers like China, EU and US may increase buying in increasing** market. Last week FOB quotes in Kandla hover in the range of \$1515 per tonne.
- **Major importers have reduced their buying as they feel castor oil** price is higher at this point of time. Only need based buying is seen in the market. More uptrend is unlikely. Futures too may decrease from current level. However, any steep fall from current level is a remote possibility.
- **FOB price at Kandla may hover in the range** of \$1505 to \$1510 per tonne this week

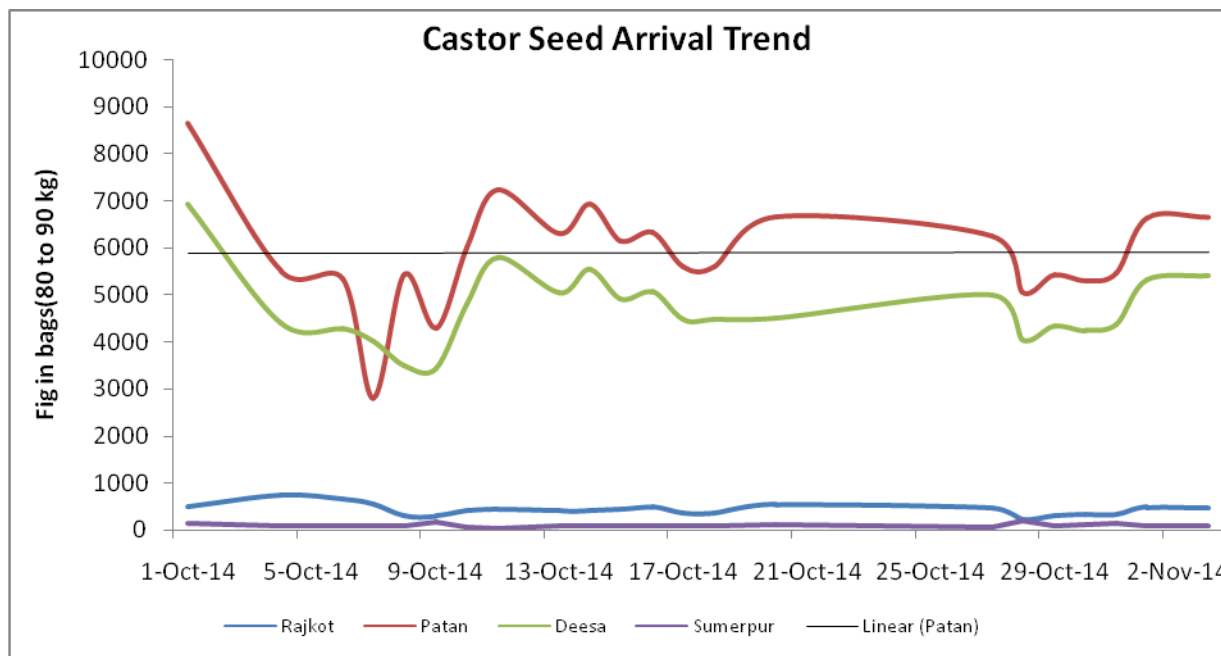
**Domestic market Outlook:** Market may trade steady to slightly weak.

**Castor Seed Price Chart:**



Castor seed price continued to trade up after Diwali and is expected to rule higher at this point of time. However a downward correction is expected. Overall sentiment remains bullish in the medium term.

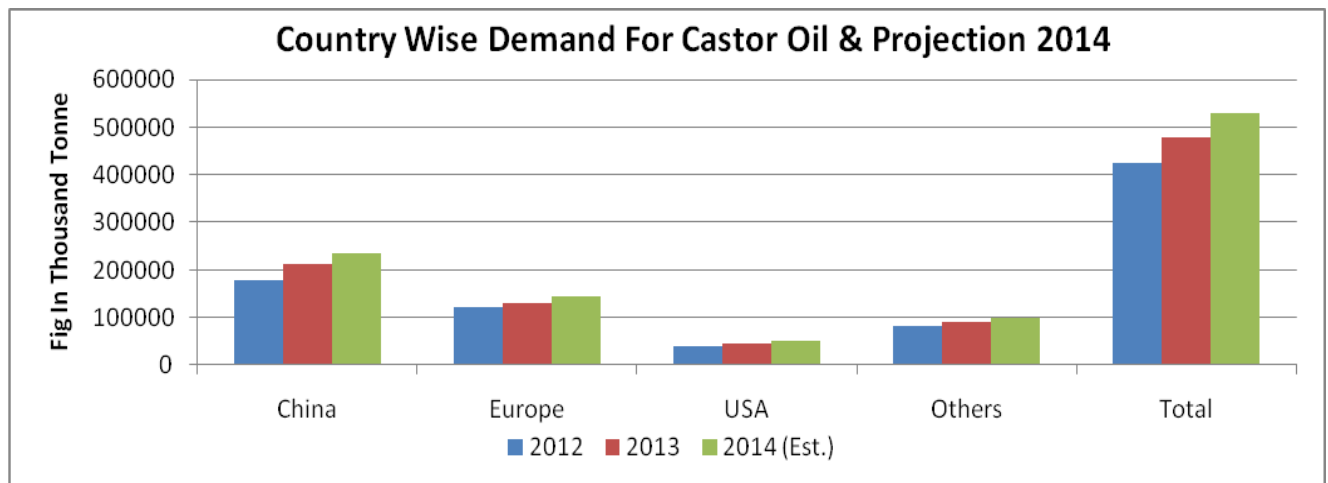
**Castor Seed arrival Chart:**



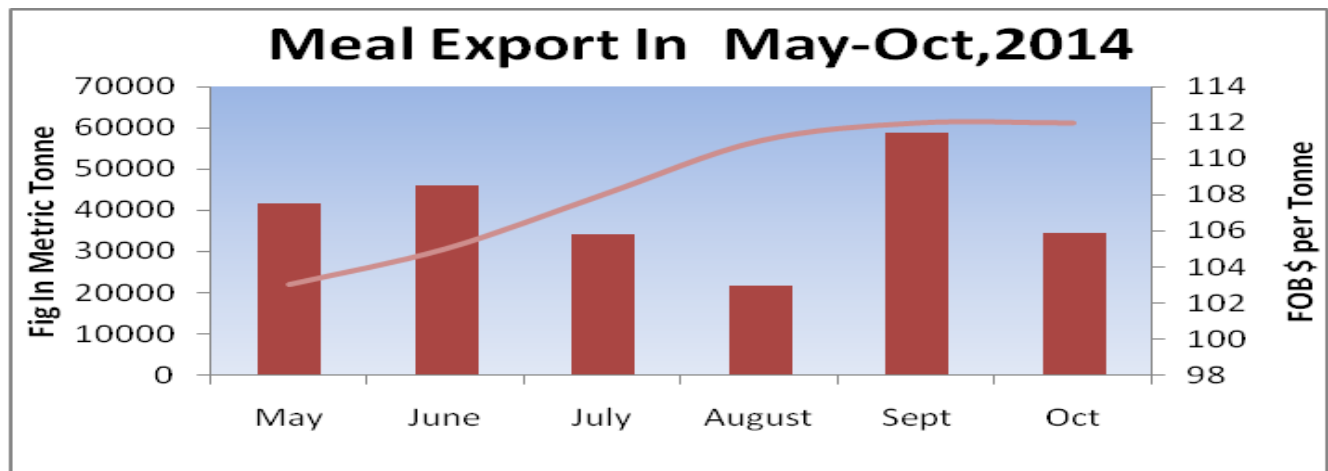
Castor seed arrivals in major markets have increased last week due to higher price. However, arrival may dip in the weeks ahead.

### 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.

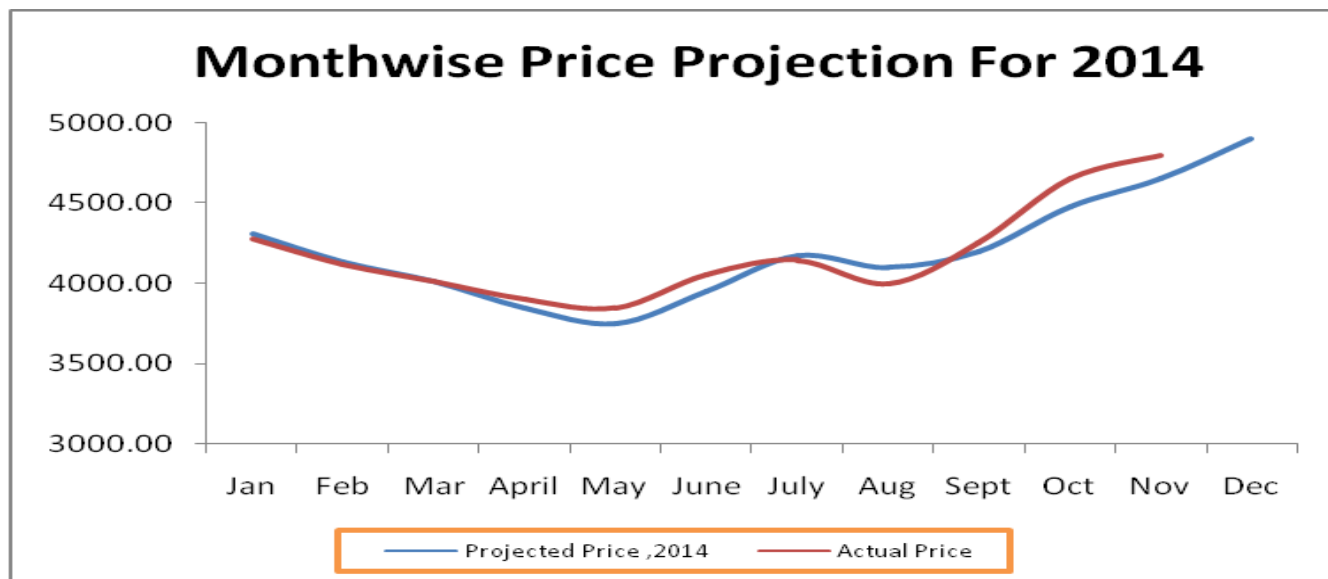


### Castor Meal Export:



Meal export in Oct was registered at around 36000 tonne against 60,000 tonne in Sept, 2014 at an average fob price of \$112 per tonne. Demand of meal is lower and prices are likely to reel under pressure in Nov. too. major buyers may wait for stabilization in the market.

Expected Price In Sept. For Seed:

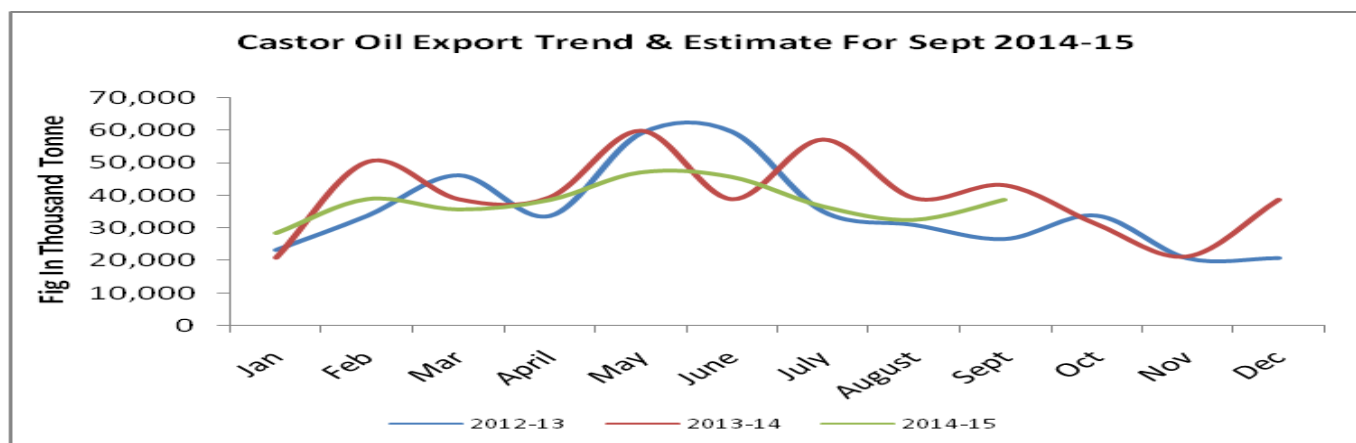


Blue line indicates projected price for seed based on seasonality and demand –supply factors concluded by Agriwatch. Red line indicates actual price movement in the market so far. Seed price may hover in the range of Rs 4550 to Rs 4650 per qtl. in Deesa market.

## Cash Market Price Outlook For Deesa Spot:

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	4650-4675	4675-4700
Medium Term (30 days)	4700-4750	4750-4800

## Castor Oil Export Trend:



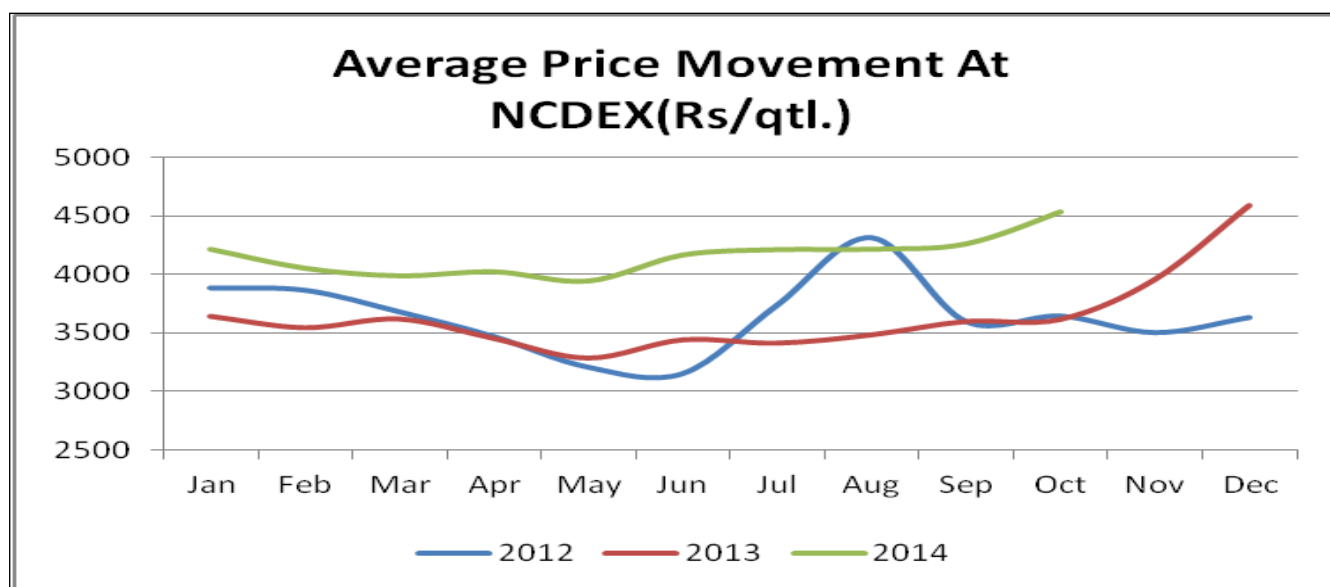
Castor oil export declined unexpectedly from June to August. However, it is likely to rebound in Sept as stock with major importers has declined and fresh buying is expected from mid Sept. Price of seed is expected to stabilize in Sept. The reason of lower export is attributed mainly to higher seed price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

Comparative Prices Of Castor Products Including Seed					
	31th Oct'14	22th Oct'14	30th Sept'14	22th Sept '13	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	45500	NQ	43250	35638	21.67
Castor Meal Export (FAS) (US\$ / MT), Ex Kandla	117	112	112	93	20.51
<b>EXPORT (FOR) Ports (Rs./MT) Castor meal bulk Kandla</b>	7100	6550	6550	5,780	18.59
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1515	NQ	1435	1232	18.68
<b>Local rates for oil in domestic market(Rs./M.T.) for comm.</b>	86500	85000	86500	73296	15.26

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:**



**Technical Commentary:**

- Candlestick chart shows bearish tone in the futures market.
- RSI moving down in neutral zone hints dip to continue.
- Prices closed above 9 and 18 days EMAs denotes uptrend.

**Strategy: Buy**

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Castor Seed	NCDEX	Dec	4822	4800	4899	4945	5150
Pre-Market Intraday Trade Call*			Call	Entry	T1	T2	SL
Castor Seed	NCDEX	Dec	Buy	ABOVE 4850	4900	4945	4821

**Cash Markets Price Movement:**

Commodity	Center	Market	Price (Rs/Q)		Change
			31-Oct-14	22-Oct-14	
Castor Seed	Rajasthan	Sumerpur	4275	4050	225
		Jodhpur	4300	3900	400
	Gujarat	Rajkot	4080	3800	280
		Gondal	4180	4005	175
		Patan	4625	4355	270
		Deesa	5035	4350	685
		Mehsana	4500	4150	350
		Kadi	4425	4055	370
		Ahmedabad	4500	4200	300

Castor Price Weekly						
Commodity	Center	Market	Price (Rs/Q)			
			Today	Week Ago	Month Ago	6 Month Ago
			31.Oct.14	22.Oct.14	30-Sep-14	30-Apr-14
Castor Seed	Rajasthan	Sumerpur	4275	4050	4050	3680
		Jodhpur	4300	3900	4000	NA
	Gujarat	Rajkot	4080	3800	4055	3830
		Gondal	4180	4005	4030	3830
		Patan	4625	4355	4305	3895
		Deesa	5035	4350	4500	3795
		Mehsana	4500	4150	4250	3875
		Kadi	4425	4055	4225	3830
		Ahmedabad	4500	4200	4250	3800

Commodity	Center	Market	Fig. in Quintal		Change %
			31.Oct.14	22.Oct.14	

## Castor Weekly Report 03<sup>rd</sup> November, 2014

Castor Seed	Rajasthan	Sumerpur	432	220	212
		Jodhpur	880	320	560
	Gujarat	Rajkot	685	950	-265
		Gondal	811	520	291
		Patan	10465	5595	4870
		Deesa	15350	1627	13723
		Mehsana	2160	640	1520
		Kadi	7912	2400	5512
		Ahmedabad	9600	20000	-10400
	Total Arrival		48295	32272	16023

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