

### **Castor Domestic Fundamentals: -**

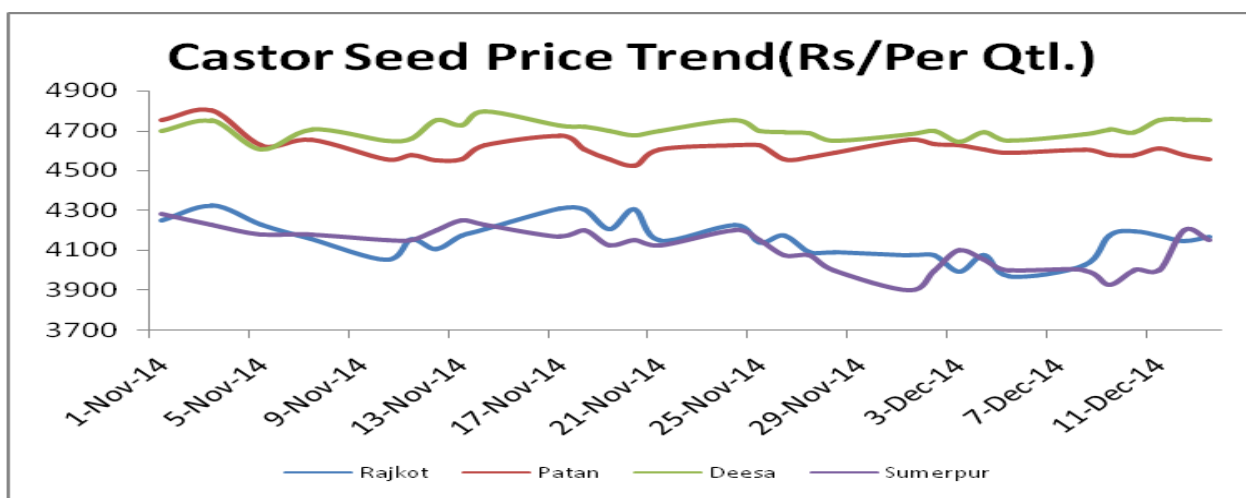
- **Castor seed market traded up during the second week of December** despite sluggish demand for castor products. Market may trade steady to slightly weak during current week . However, overall inner tone remains bearish as major oil importers are unwilling to buy in bulk quantity as arrivals are expected to increase from 15<sup>th</sup> Jan,2015. There is a talk in the market that yield may be lower than last year in some major producing districts .However, higher area coverage would compensate yield loss and production is bound to cross last year's level.
- **Arrivals in Gujarat market have improved in Nov. Some seed from old crop** too is entering into the market as market participants expect weakness to continue as crop would around 2.5 to 3 lakh tonne more than last year(10.70 lakh tonne). Some traders sees production over 15 lakh tonne. As crop duration is long and arrivals continue from Jan to May clear picture of exact yield would emerge by Feb end.
- **Castor seed X Gujarat mandi is being traded at 46,550 per tonne, almost Rs 750 per tonne** higher than the first week of December and may move slightly up from current level in the third week of December. As demand for castor products is lower, pressure may build up on seed price once again.
- **With increased seed price in recent weeks castor meal export (FAS), Ex -Kandla** increased by \$9 to \$131 per tonne last week. It is 25.46 percent higher from the price of Dec 2013 . Market participants expect it to touch \$135/40 per tonne by mid January despite steady demand from overseas market.
- **Castor seed oil export price has decreased slightly in last two weeks** and it is now being quoted at \$1470/75 per tonne and may stay steady till the end of the month. Market participants say that ample seed is available from old stock and it would not allow market to move up unexpectedly at this point of time.
- **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.
- **There is no change in FOR price. Castor meal FOR is being quoted at Rs 7500 per tonne, Rs 250 higher from previous week.** It is 10.93 percent higher than the price realized during second week of Nov, 2013. Castor meal export price for bulk quantity too has increased to \$130 per tonne.

### **International Market Update:**

- **FOB quotes In Kandla has decreased considerably from \$1515 to \$1470 per tonne** in last two weeks and it is likely to rule in the range of \$1460 to \$1475 in the month of December.
- **Demand from China, EU, US and Japan is expected to remain weak till December.** Major players would buy only need based buying until arrival gets its peak.
- Overall market sentiment remains steady to slightly weak in Dec.

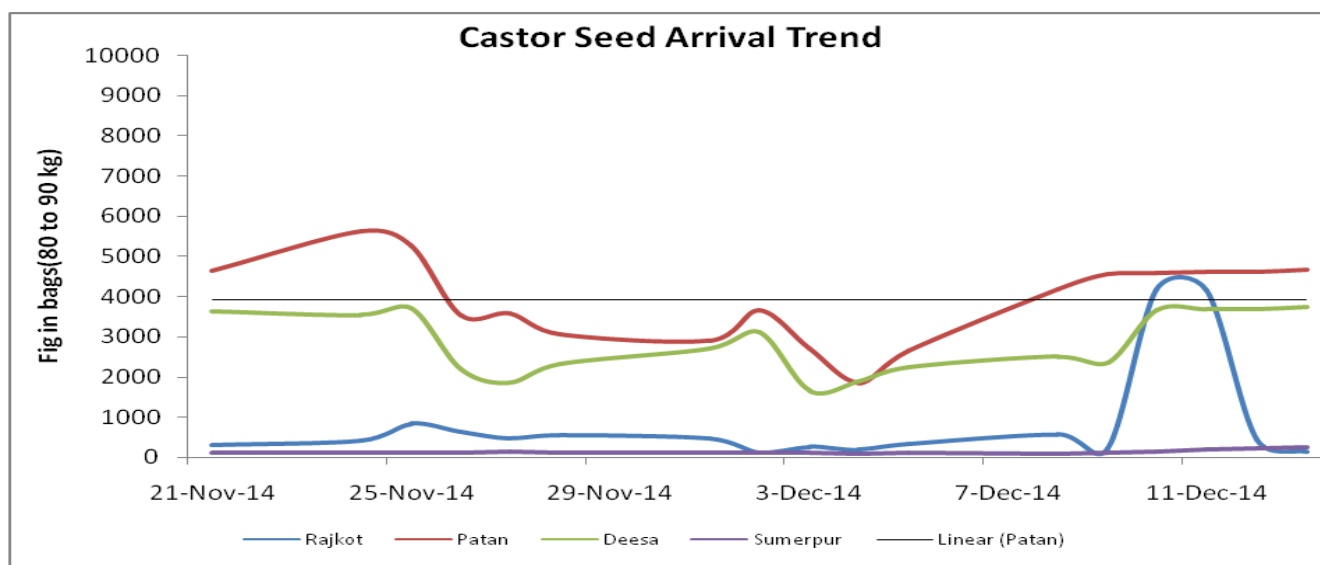
**Domestic market Outlook:** Pressure on seed market fundamentals is likely to continue.

### Castor Seed Price Chart:



Castor seed price traded mixed during the week under review on sluggish demand from retail and overseas markets. However, market is expected to trade weak in the weeks ahead. Likely higher arrivals from mid Jan and sluggish demand for castor products may restrict market to some extent this week.

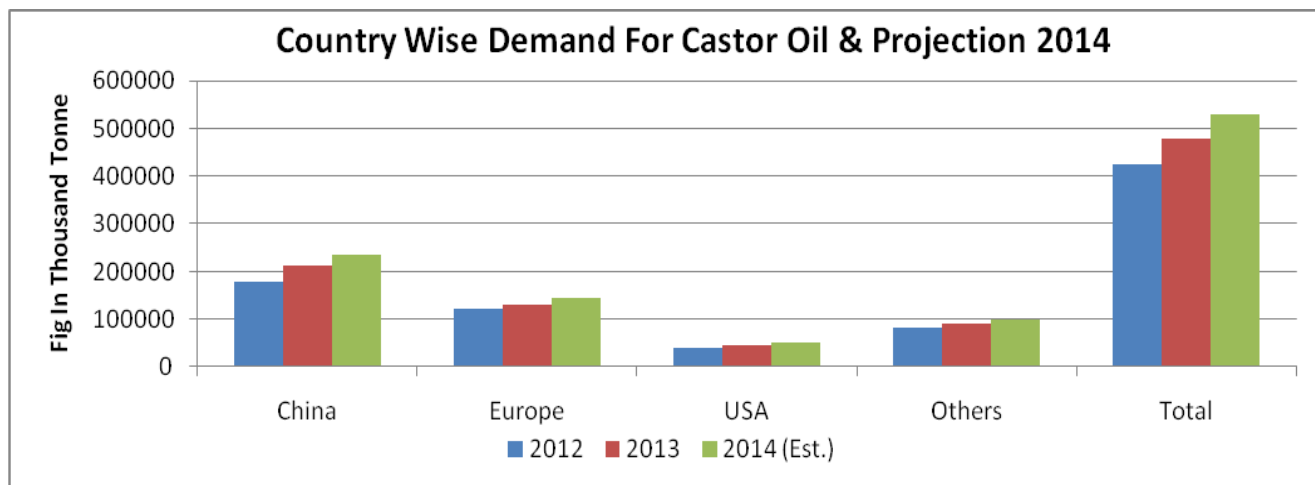
### Castor Seed arrival Chart:



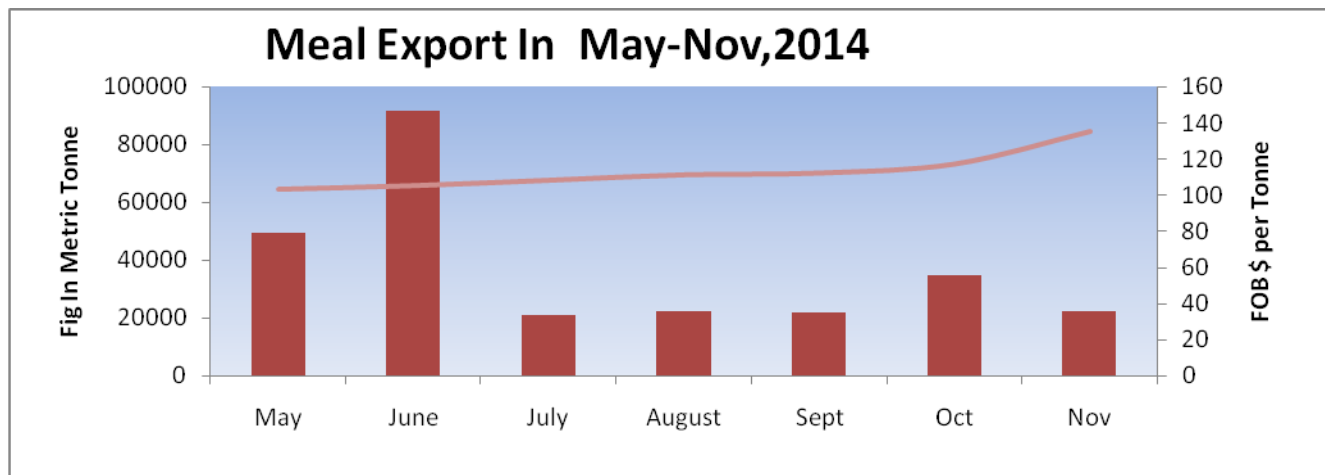
Arrivals of seed in various mandis have improved in recent weeks and it may improve further in the weeks ahead. Pressure may be felt by the middle of the Jan, 2015. It may directly impact cash market price.

### 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.

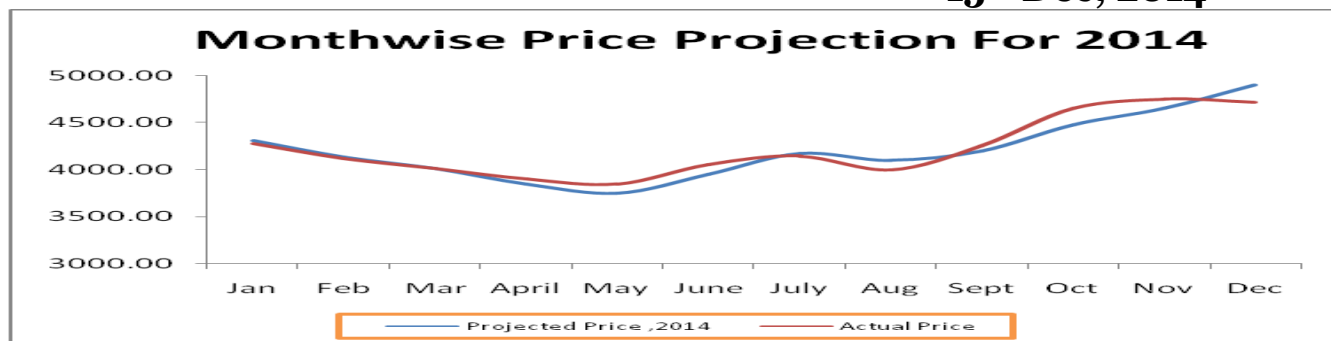


#### Castor Meal Export:



Castor meal export has decreased sharply due to higher price from sourcing port. It is being traded at \$135 per tonne. All major buyers are in a wait and watch mode now.

**Expected Price In Nov. For Seed:**

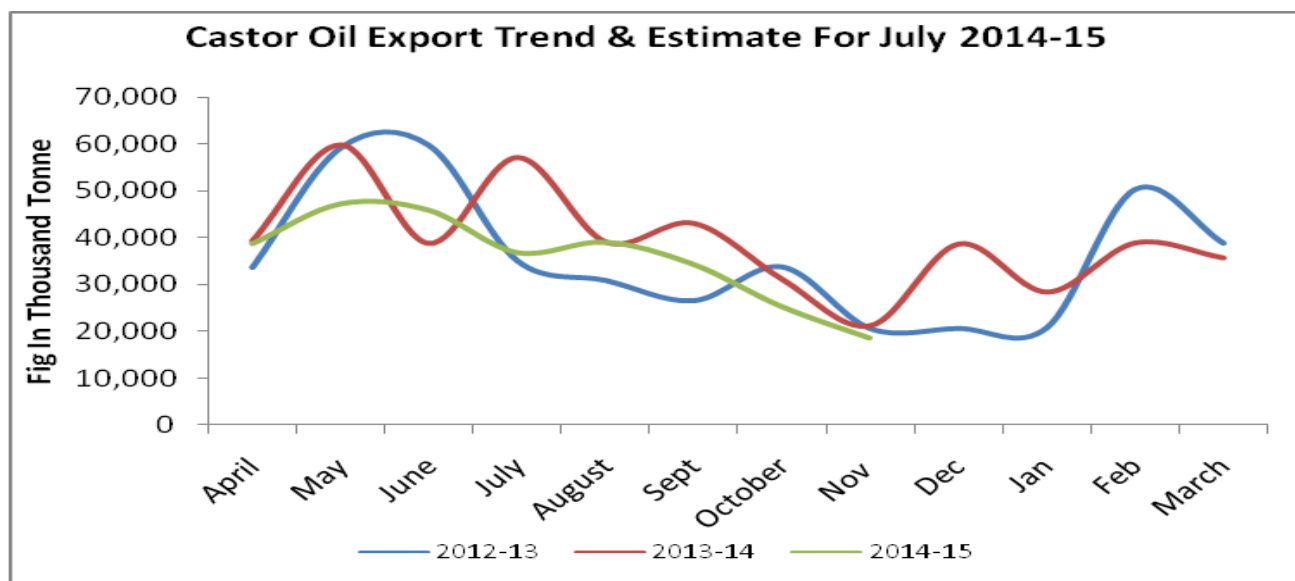


Blue line indicates projected price for seed based on seasonality and demand –supply factors concluded by Agriwatch. Red line indicates actual price movement in the market so far. Seed price may hover in the range of Rs 4650 to Rs 4750 per qtl. in Deesa market.

## Cash Market Price Outlook For Deesa Spot:

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	4625-4650	4650-4675
Medium Term (30 days)	4700-4725	4725-4750

## Castor Oil Export Trend:



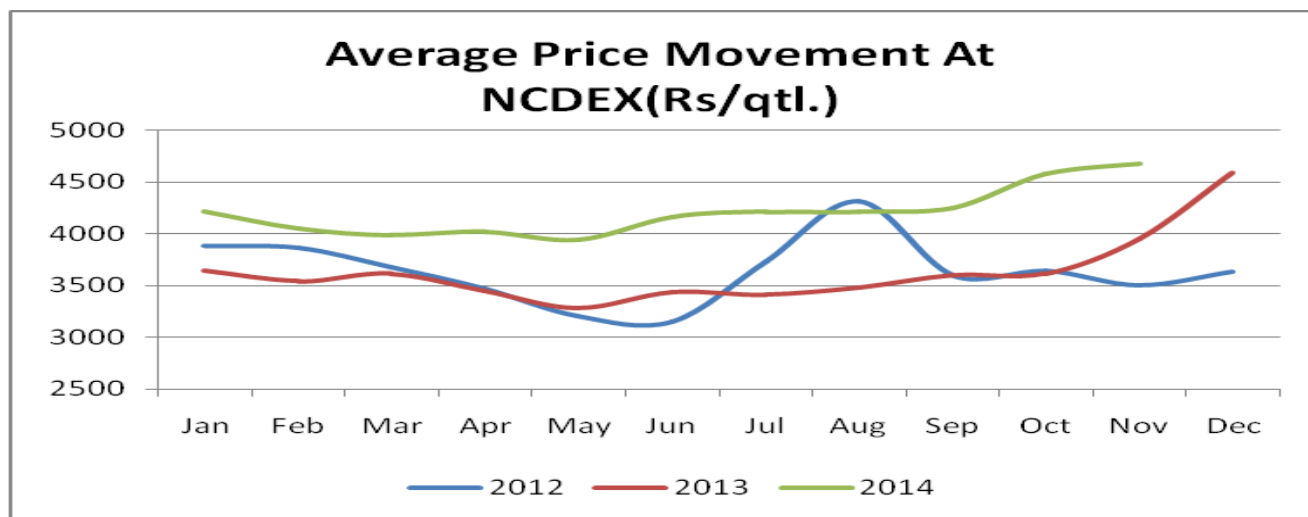
Castor oil export declined unexpectedly from June to Oct. However, it is likely to rebound Dec onward as stock with major importers has declined and fresh buying is expected from mid Dec. Price of seed is expected to stabilize in Dec. The reason of lower export is attributed mainly to higher seed price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

Comparative Prices Of Castor Products Including Seed					
	12th Dec'14	5th Dec'14	12th Nov'14	12th Dec '13	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	44750	44750	45600	42732	4.51
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	140	135	122	108	22.86
<b>EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla</b>	8300	8100	7300	6,512	21.54
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1470	1470	1520	1470	0.00
<b>Local rates for oil in domestic market(Rs./M.T.) for comm.</b>	86500	85500	87500	87548	-1.21

Source: SE A

Castor seed price in all major mandis including Gujarat traded flat this week however,a correction at this stage is expected. Medium term outlook remains bullish. Commercial grade oil price traded at previous level at 86500 per tonne. Fob quote for castor oil at Kandla was quoted at \$1515 per tonne. Meal price too have increased by \$5 per tonne to \$117 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 weakness to continue.
- Prices closed up 9 and 18 days EMAs denotes firmness in the short term.

### Strategy: Sell

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Castor Seed	NCDEX	Jan	4620	4523	4726	4776	5030
Pre-Market Intraday Trade Call*			Call	Entry	T1	T2	SL
Castor Seed	NCDEX	Jan	Sell	Below 4750	4680	4621	4777

### Cash Markets Price Movement:

### Castor Seed Weekly Prices on 12.12.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			12-Dec-14	5-Dec-14	
Castor Seed	Rajasthan	Sumerpur	4100	4000	100
		Jodhpur	4150	3900	250
	Gujarat	Rajkot	4145	3990	155
		Gondal	4180	4205	-25

		Patan	4555	4655	-100
		Deesa	4755	4630	125
		Mehsana	4375	4200	175
		Kadi	4400	4280	120
		Ahmedabad	4550	4500	50

Castor Price Weekly						
Commodity	Center	Market	Price (Rs/Q)			
			Today	Week Ago	Month Ago	6 Mon th Ago
			12-Dec-14	5-Dec-14	12-Nov-14	11-Jun-14
Castor Seed	Rajasthan	Sumerpur	4100	4000	4250	3750
		Jodhpur	4150	3900	4250	3650
	Gujarat	Rajkot	4145	3990	4205	3765
		Gondal	4180	4205	4280	3655
		Patan	4555	4655	4655	3910
		Deesa	4755	4630	4750	3865
		Mehsana	4375	4200	4500	3825
		Kadi	4400	4280	4555	3865
		Ahmedabad	4550	4500	4600	3850

### Castor Seed Weekly Arrivals Scenario on 12.12.2014

Commodity	Center	Market	Fig. in Quintal		Change %
			12-Dec-14	5-Dec-14	
Castor Seed	Rajasthan	Sumerpur	620	580	40
		Jodhpur	240	800	-560
	Gujarat	Rajkot	1735	1540	195
		Gondal	1516	1372	144
		Patan	23273	18905	4368
		Deesa	14286	11273	3013
		Mehsana	1560	2892	-1332
		Kadi	4880	3871	1009
		Other Gujarat	57550	118547	-60997
	Total Arrival		105660	159780	-54120

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