

Castor Domestic Fundamentals: -

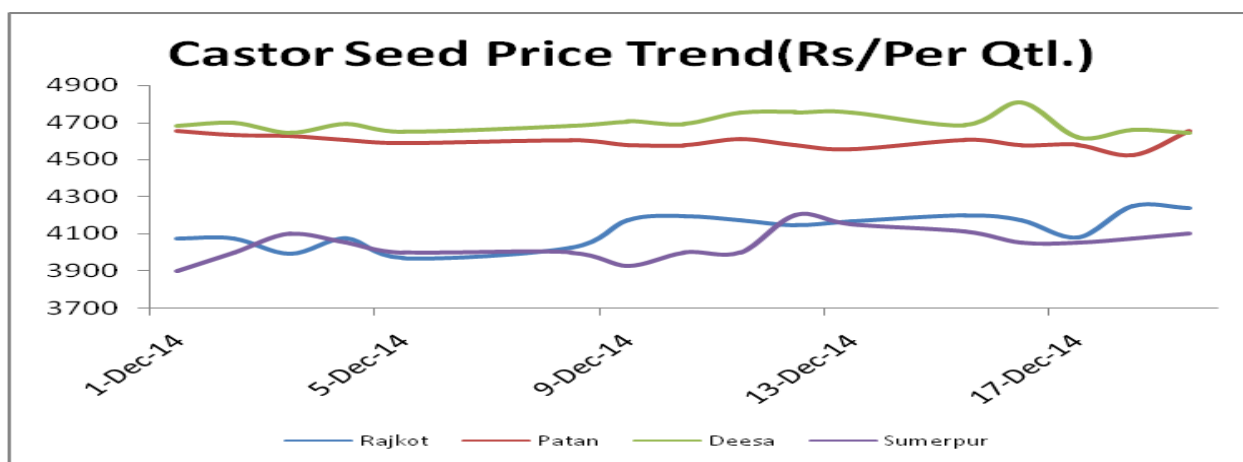
- **Castor seed market traded down during the third week** of December due to sluggish demand for castor products and increasing arrivals from newly harvested crop. Market may trade steady to slightly weak during current week. Major oil importers are unwilling to buy in bulk quantity as arrivals are expected to increase from 15th Jan, 2015. There is a talk in the market that yield may be lower than last year in some major producing districts. So final production figure may vary previous estimate.
- **Traders say that final figure may be in between 13 to 13.5 lakh tonne** despite area increase. If carryout considered by private trades to 4.5 to 5 lakh tonne, total availability for the season might be around 18 lakh tonne against the normal seed demand of 15 lakh tonne.
- **Arrivals in Gujarat market have improved in Dec. 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). As crop duration is long and arrivals continue from Jan to May clear picture of exact yield would emerge by Feb end.
- **Castor seed in Gujarat traded firm at 4550 per qtl.** Castor meal quote bulk at Kandla was registered unchanged at Rs 8100 per tonne as compare to last week. As year has entered in last phase, trading activities are expected to be lower than normal. Fresh demand is expected from the second week of January.
- **Commercial grade oil price traded firm at 88000 per tonne, almost Rs 500 higher** than previous week. Fob quote for castor oil at Kandla was quoted at \$1465 per tonne, higher by \$15 per tonne.
- **Meal price unchanged at \$135 per tonne during the week** under review. Castor meal quote bulk at Kandla was registered at Rs 8100 per tonne, unchanged from last week.
- **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.

International Market Update:

- **FOB quotes In Kandla has decreased considerably from \$1470 to \$1450 per tonne** in last two weeks and it is likely to rule in the range of \$1440 to \$1445 in the remaining week of December..
- **Demand from China, EU, US and Japan is expected to remain weak** till January. Major players would buy only need based buying until arrival gets its peak.
- **Total export of oil this year may decreased to 4 lakh tonne** from January to December)
- **Overall market sentiment** remains steady to slightly firm in Dec.

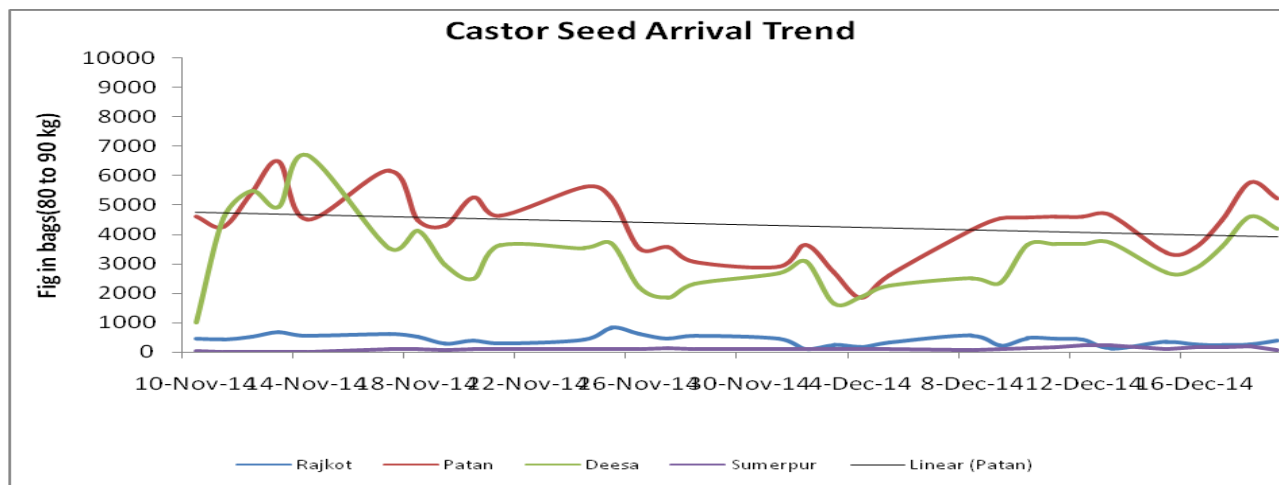
Domestic market Outlook: Higher arrivals may pressurize market and dip is expected in the coming weeks.

Castor Seed Price Chart:



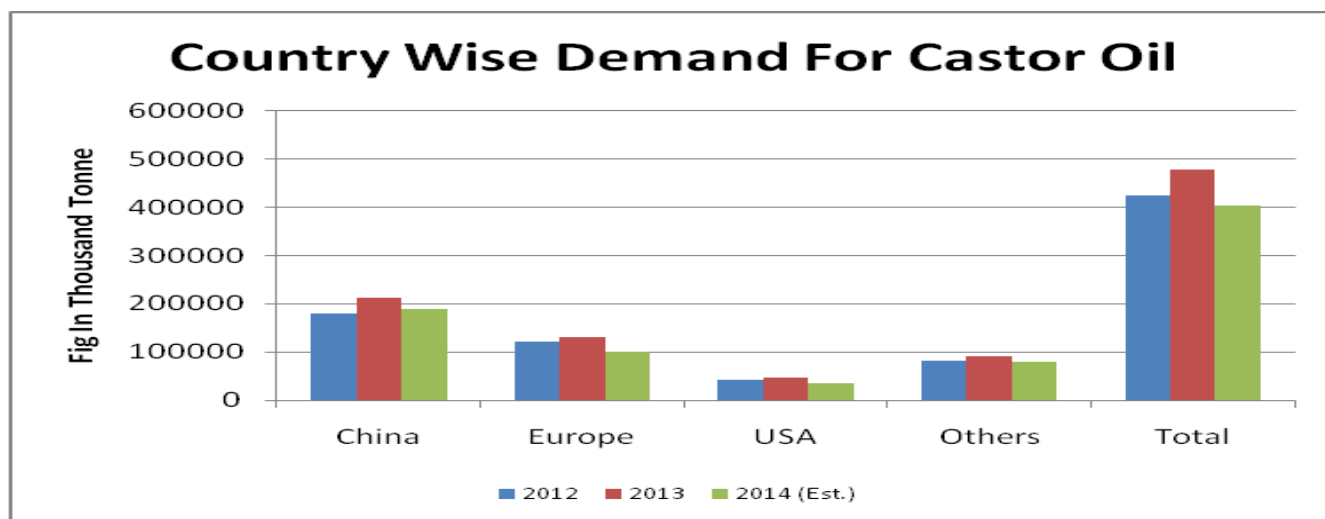
Castor traded slightly up from previous week on the back of fresh local demand. However, fundamentals remain unsupportive to the stake holders. Prices moved up in the first session of the week but could not sustain at higher level and dipped once again by the end of the week. Pressure from new crop is expected from mid January and by the private stock too would start coming into mandis. Major stockists may hold stock for two –three weeks more and it may push market slight up this week. Overall sentiment remains weeks for medium term.

Castor Seed arrival Chart:



With increasing price arrivals in various mandis have improved considerably and it may increase further in the weeks ahead. The arrival will increase again after mid January and it may impact price adversely. Crop size is being pegged in between 13 to 13.5 lakh tonne by private trade. However, Agriwatch differs from this figure. Based on current field survey total production may touch 15 lakh tonne this year.

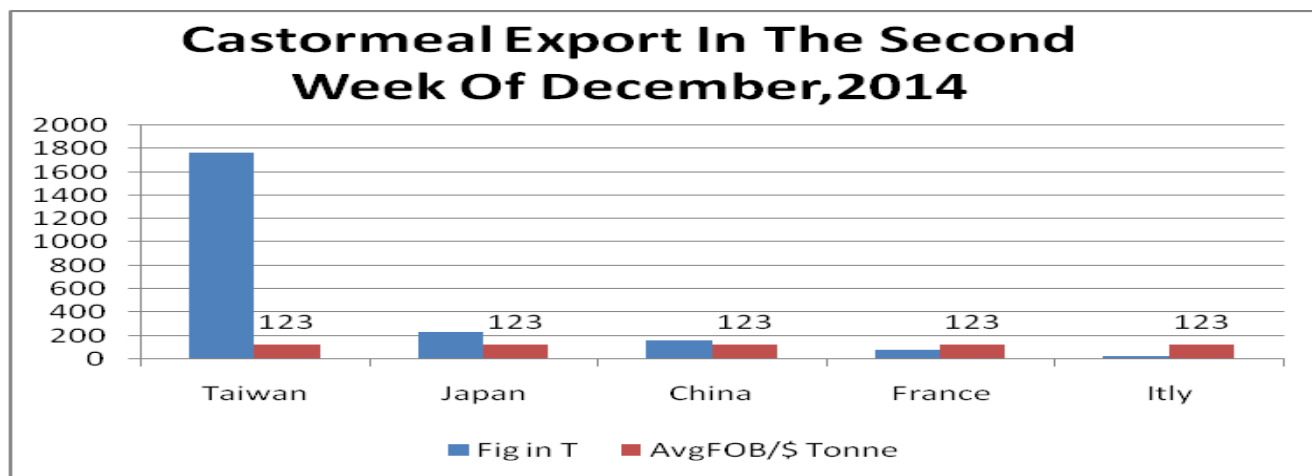
Country Wise Demand For Castor Oil:



Source:IBIS/Agriwatch

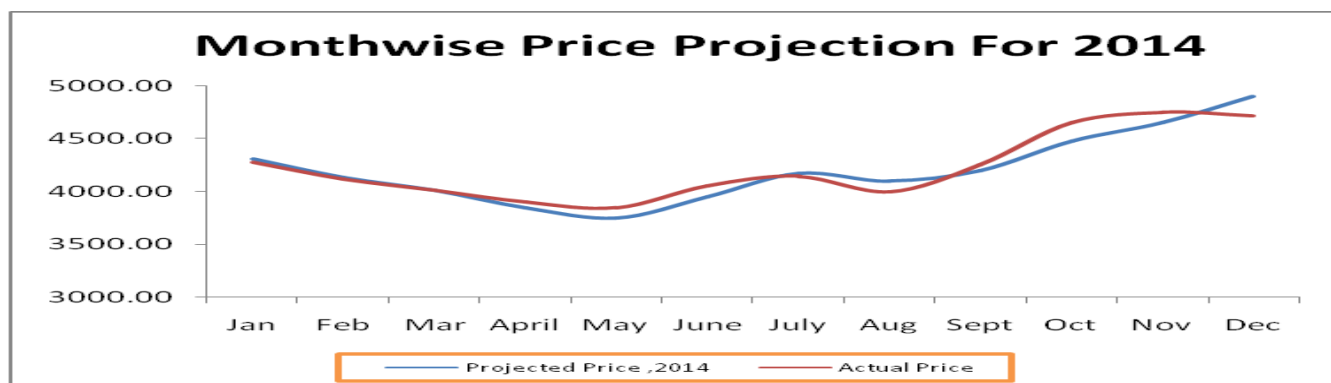
Big buyers like China, EU and US would reduce their buying due to high oil price and total export would be around 4 lakh tonne, almost 75000 tonne lower than last year. Fresh entry is expected in Feb,2015. China, Europe and US has decreased their buying at this point of time. Local demand is below normal. However, it has improved slightly in last two-three weeks. The season (Jan to Dec) may end with around 4 lakh tonne oil export.

Castor Meal Export:



Castor meal export has decreased considerably in the second week of December and demand for meal is likely to decrease further as prices are ruling higher. Only need based buying is on the card. Bulk buying is expected in March –April, the peak arrival season and likely lower price.

Expected Price In Nov. For Seed:

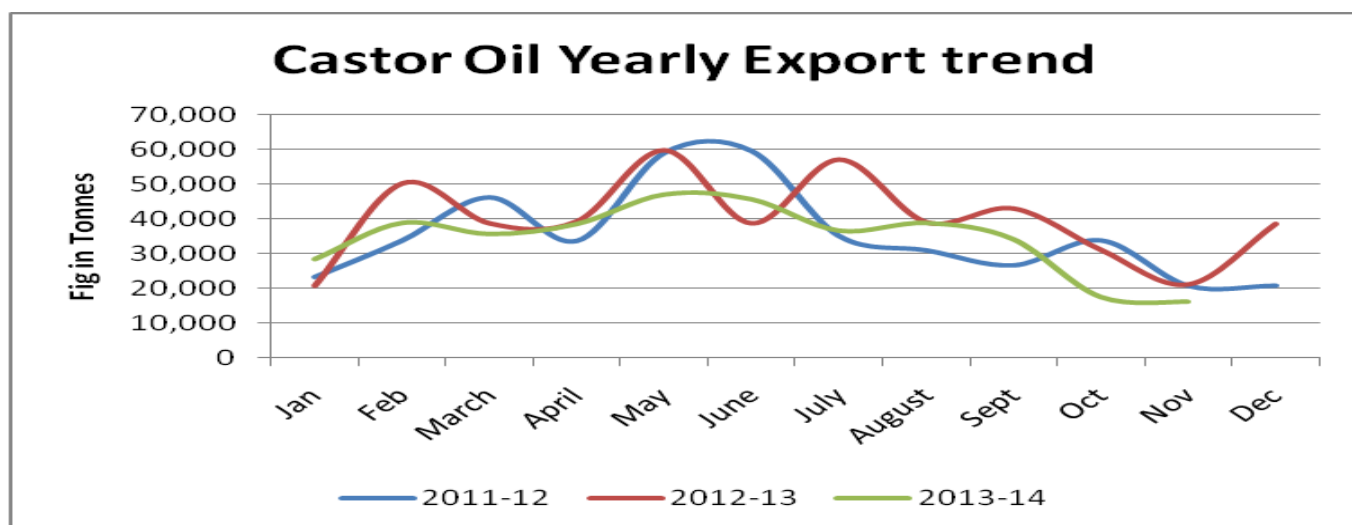


Blue line indicates projected price for seed based on seasonality and demand –supply factors concluded by Agriwatch. Red line indicates actual price movement in the market so far. Seed price may hover in the range of Rs 4650 to Rs 4750 per qtl. in Deesa market.

Cash Market Price Outlook For Deesa Spot:

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	4600-4625	4625-4650
Medium Term (30 days)	4650-4600	4600-4500

Castor Oil Export Trend:



Monthly export trend shows that castor export in 2014 has not been up to the mark and may touch the lowest level in last three years due to higher price and lower demand for major buyers like China,EU and US. The total export may ends up with 4 lakh tonne in 2014.

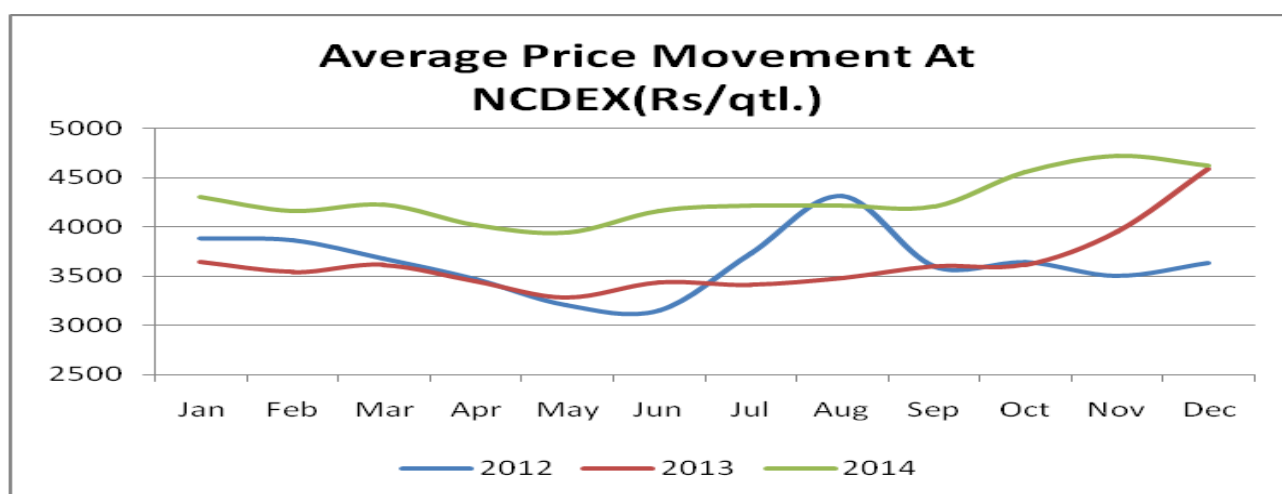
Comparative Prices Of Castor Products Including Seed					
	26th Dec'14	19 th Dec'14	26th Nov'14	26th Dec '13	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	45500	44500	44750	42732	6.08
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	135	135	132	108	20.00
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	8100	8100	8300	6,512	19.60
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1465	1450	1485	1470	-0.34
Local rates for oil in domestic market(Rs./M.T.) for comm.	88000	87500	85000	87548	0.51

Source: SE A

Castor seed price in all major mandis including Gujarat traded weak during the week under review. Higher arrivals and sluggish demand remain restrictive to the cash market fundamentals. As major portion of old stock is in strong hand, they may push market up against market sentiments in the short term. Commercial grade oil price traded at 87500 per tonne, almost Rs 1000 higher than previous week.. Fob quote for castor oil at Kandla was quoted at \$1450 per tonne, lower by \$20 per tonne. Meal price too have decreased by \$5 per tonne to \$135 per tonne during the week under review.

Castor seed in Gujarat mandi traded Rs 250 per tonne lower than previous week to Rs 44500 per tonne. Castor meal quote bulk at kandla was registered at Rs 8100 per tonne, almost lower by Rs 200 per tonne during the week.

3. Yearly Average Price Variations At NCDEX :



Average price gap has been seen throughout the year in comparison to 2013. However, the gap started contracting from Nov end and ended in dec. so far as the give line chart shows. Average price may dip in the weeks ahead.

Technical Analysis:



Technical Commentary:

- Candlestick chart shows down in the futures market.
- RSI moving down in neutral zone.
- Prices closed up 9 and 18 days EMAs.

Strategy: Sell

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Castor Seed	NCDEX	Jan	4761	4695	5294	5395	5437
Pre-Market Intraday Trade Call*			Call	Entry	T1	T2	SL
Castor Seed	NCDEX	Jan	Sell	Below 5195	4935	4805	5351

Castor Seed Weekly Prices on 26.12.2014

Commodity	Center	Market	Price (Rs/Q)		Change
			26-Dec-14	19-Dec-14	
Castor Seed	Rajasthan	Sumerpur	4300	4100	200
		Jodhpur	4300	4100	200
	Gujarat	Rajkot	4400	4240	160
		Gondal	4330	4180	150
		Patan	4655	4655	Unch
		Deesa	5000	4645	355
		Mehsana	4550	4405	145
		Kadi	4675	4415	260
		Ahmedabad	4975	4610	365

Cash Markets Price Movement:

Castor Price Weekly						
Commodity	Center	Market	Price (Rs/Q)			
			Today	Week Ago	Month Ago	6 Month Ago
			26-Dec-14	19-Dec-14	26-Nov-14	26-Jun-14
Castor Seed	Rajasthan	Sumerpur	4300	4100	4075	4100
		Jodhpur	4300	4100	4075	4050
	Gujarat	Rajkot	4400	4240	4125	4255
		Gondal	4330	4180	4205	4305
		Patan	4655	4655	4555	4375
		Deesa	5000	4645	4725	4300
		Mehsana	4550	4405	4400	4335
		Kadi	4675	4415	4400	4320
		Ahmedabad	4975	4610	4450	4300

Castor Seed Weekly Arrivals Scenario on 26.12.2014

Commodity	Center	Market	Fig. in Quintal		Change %
			26-Dec-14	19-Dec-14	
Castor Seed	Rajasthan	Sumerpur	1220	1032	18.22
		Jodhpur	720	648	11.11
	Gujarat	Rajkot	2165	1645	31.61
		Gondal	805	929	-13.35
		Patan	25172	27267	-7.68
		Deesa	9134	13869	-34.14
		Mehsana	2874	2619	9.74
		Kadi	10304	6466	59.36
		Other Gujarat	45546	19205	57.83
	Total Arrival		97940	73680	32.93

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