

#### Castor Domestic Fundamentals: -

- **Overall castor seed market traded down during the week under review** 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 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. 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 mandi traded down by Rs 200 per tonne** to Rs 45300 per tonne as compared to last week. Castor meal quote bulk at Kandla was registered unchanged at Rs 8100 per tonne as compared to last week. Fresh demand is expected from the second week of January.
- **Commercial grade oil price traded firm at \$9000 per tonne, almost Rs 1000** higher than previous week. Fob quote for castor oil at Kandla was quoted at \$1440 per tonne, lower by \$25 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:

- **Castor meal demand 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.
- **FOB quotes in Kandla has decreased considerably from \$1470 to \$1440 per tonne** in last four weeks.

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

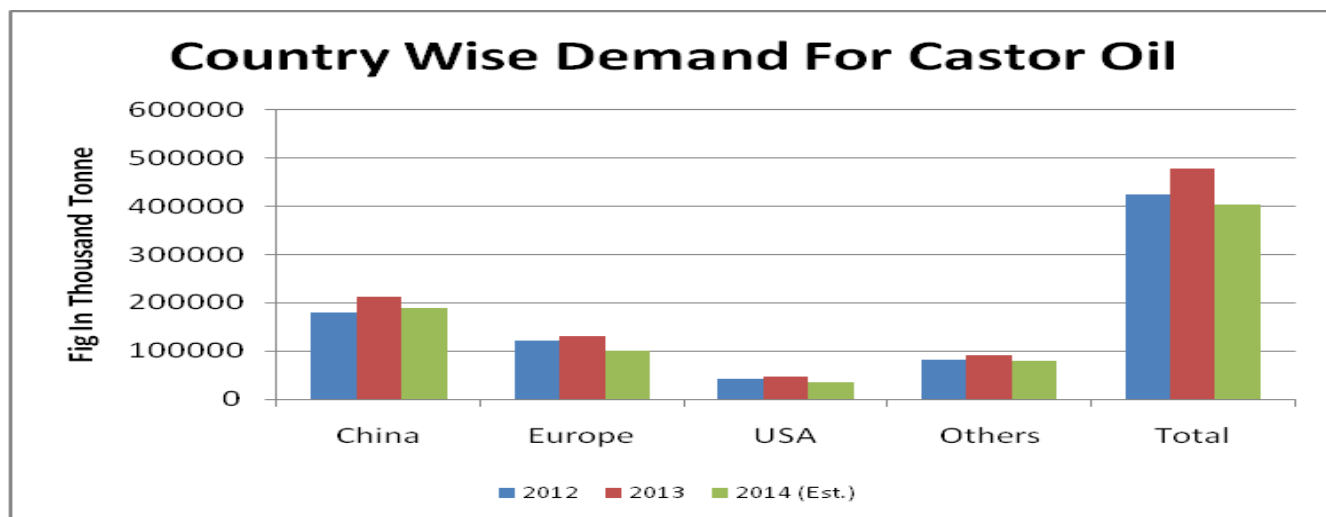
### Castor Seed Price

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**

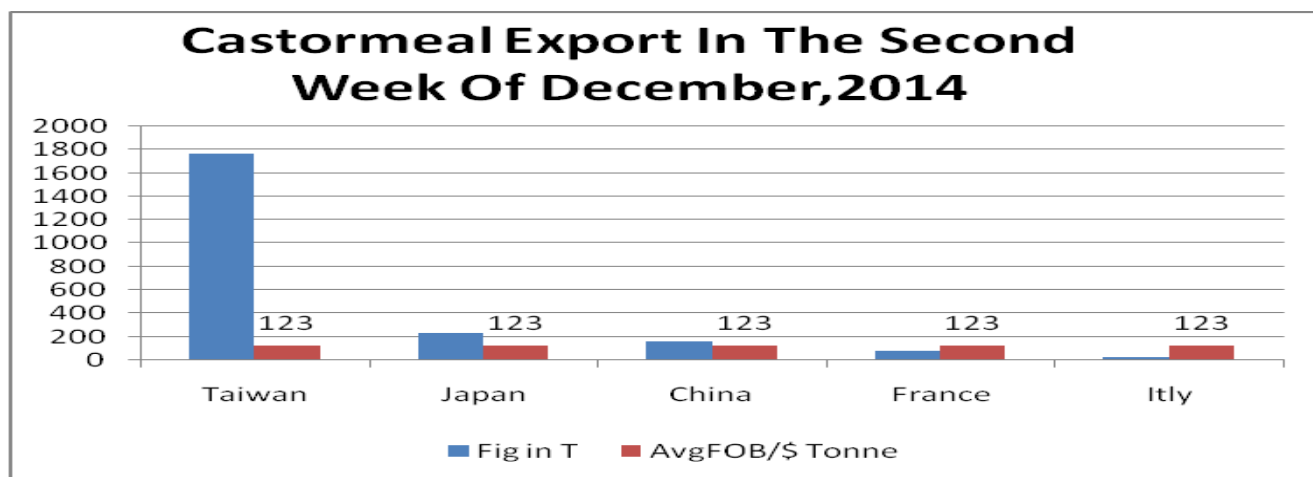
With increasing price arrivals in various mandis have improved considerably and it may increase further in the weeks ahead. The arrival will increase again after mid January and it may impact price adversely. Crop size is being pegged in between 13 to 13.5 lakh tonne by private trade. However, Agriwatch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

### **Country Wise Demand For Castor Oil:**

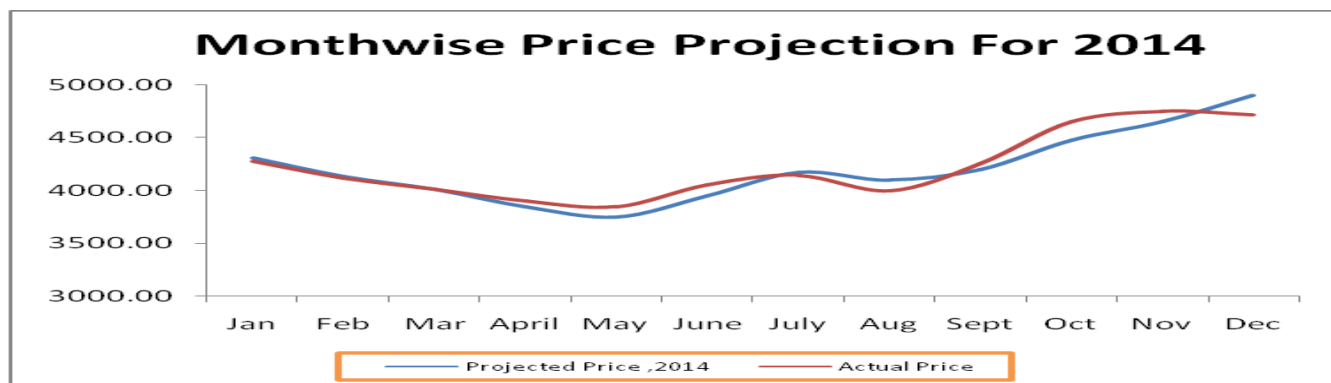


Source: IBIS/Agriwatch

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 75,000 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.

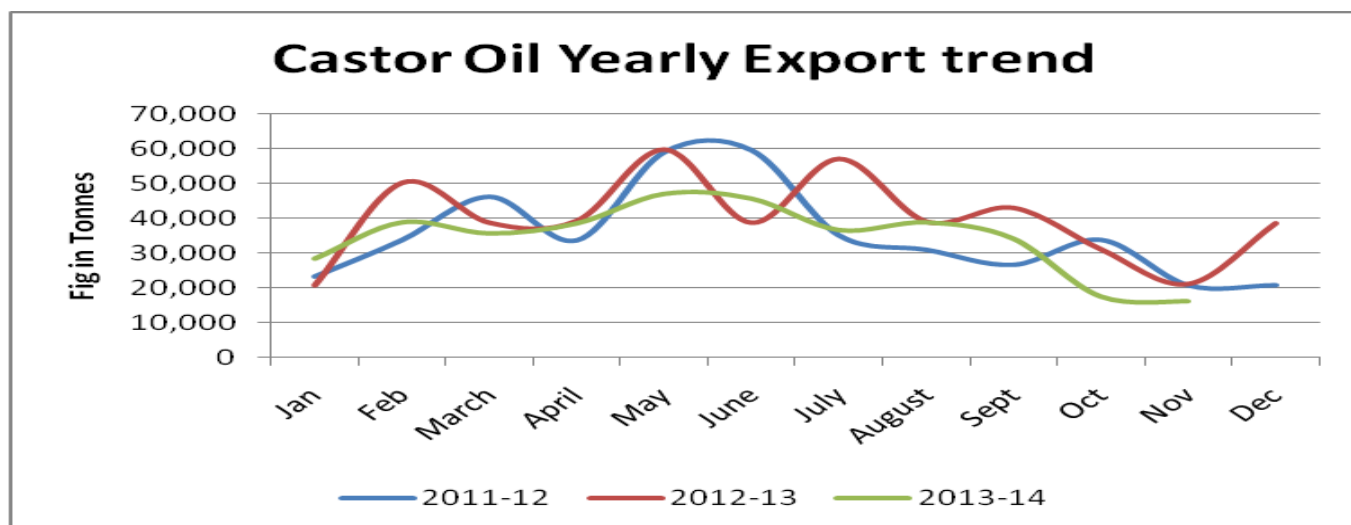
**Castor Meal Export:**


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.

### 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 end up with 4 lakh tonne in 2014.

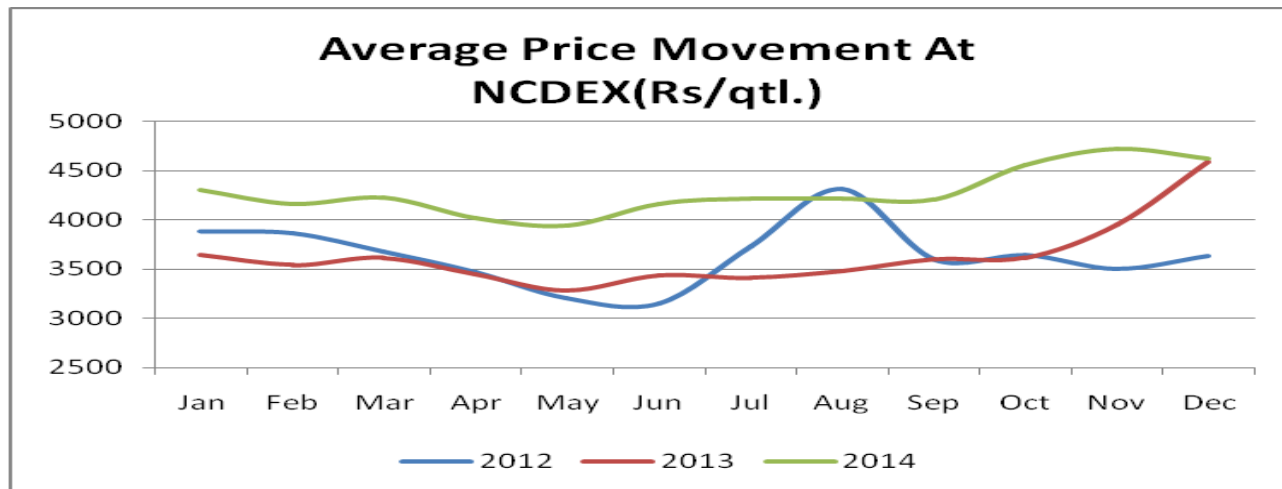
Comparative Prices Of Castor Products Including Seed					
	2th Jan'15	26 th Dec'14	2th Dec'14	2th Jan '14	Yearly CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	45300	45500	44500	42458	6.27
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	135	135	135	107	20.74
<b>EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla</b>	8100	8100	8100	6,352	21.58
Castor Oil (First Grade) FOB Kandla (Export)\$/Tonne	1440	1465	1470	1416	1.67
<b>Local rates for oil in domestic market(Rs./M.T.) for comm.</b>	89000	88000	85500	85920	3.46

Source: SE A

Commercial grade oil price traded at 89000 per tonne, almost Rs 1000 higher than previous week. Fob quote for castor oil at Kandla was quoted at \$1440 per tonne, lower by \$25 per tonne. Meal price was steady at \$135 per tonne during the week under review.

Castor seed in Gujarat mandi traded Rs 200 per tonne lower than previous week to Rs 45300 per tonne. Castor meal quote bulk at Kandla was registered at Rs 8100 per tonne, steady than last 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 and ended in Dec so far as the line chart shows. Average price may dip in the weeks ahead.

### Technical Analysis:



### Technical Commentary:

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

### Strategy: Sell

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Castor Seed	NCDEX	Jan	4763	4550	4977	5192	5408
Pre-Market Intraday Trade Call*			Call	Entry	T1	T2	SL
Castor Seed	NCDEX	Jan	Sell	Below 4979	4839	4769	5063

### Castor Seed Weekly Prices on 2.1.2015

Commodity	Center	Market	Price (Rs/Q)		Change
			2-Jan-15	26-Dec-14	
Castor Seed	Rajasthan	Sumerpur	4100	4300	-200
		Jodhpur	4300	4300	Unch
	Gujarat	Rajkot	4175	4400	-225
		Gondal	4280	4330	-50
		Patan	4750	4655	95
		Deesa	4715	5000	-285
		Mehsana	4475	4550	-75
		Kadi	4650	4675	-25
		Ahmedabad	4700	4975	-275

Castor Price Weekly						
Commodity	Center	Market	Price (Rs/Q)			
			Today	Week Ago	Month Ago	6 Month Ago
			2-Jan-15	26-Dec-14	2-Dec-14	2-Jul-14
Castor Seed	Rajasthan	Sumerpur	4100	4300	4000	4150
		Jodhpur	4300	4300	3900	4100
	Gujarat	Rajkot	4175	4400	4060	4165
		Gondal	4280	4330	4130	4130
		Patan	4750	4655	4555	4450
		Deesa	4715	5000	4570	4425
		Mehsana	4475	4550	4300	4325
		Kadi	4650	4675	4315	4300
		Ahmedabad	4700	4975	4350	4200

## Castor Seed Weekly Arrivals Scenario on 2.1.2015

Commodity	Center	Market	Fig. in Quintal		Change %
			2-Jan-15	26-Dec-14	
Castor Seed	Rajasthan	Sumerpur	1420	1220	200
		Jodhpur	NR	720	-
	Gujarat	Rajkot	2415	2165	250
		Gondal	1118	805	313
		Patan	19088	25172	-6084
		Deesa	7433	9134	-1701
		Mehsana	1960	2874	-914
		Kadi	14096	10304	3792
		Other Gujarat	24290	45546	-21256
	Total Arrival		71820	97940	-26120

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