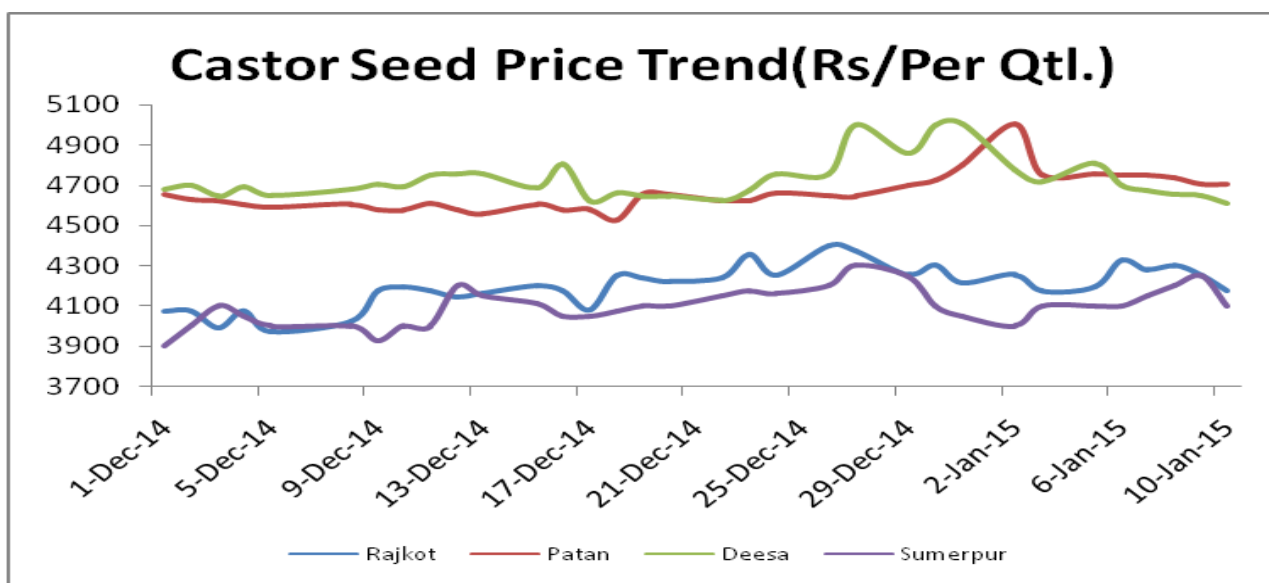


**Castor Domestic Fundamentals: -**

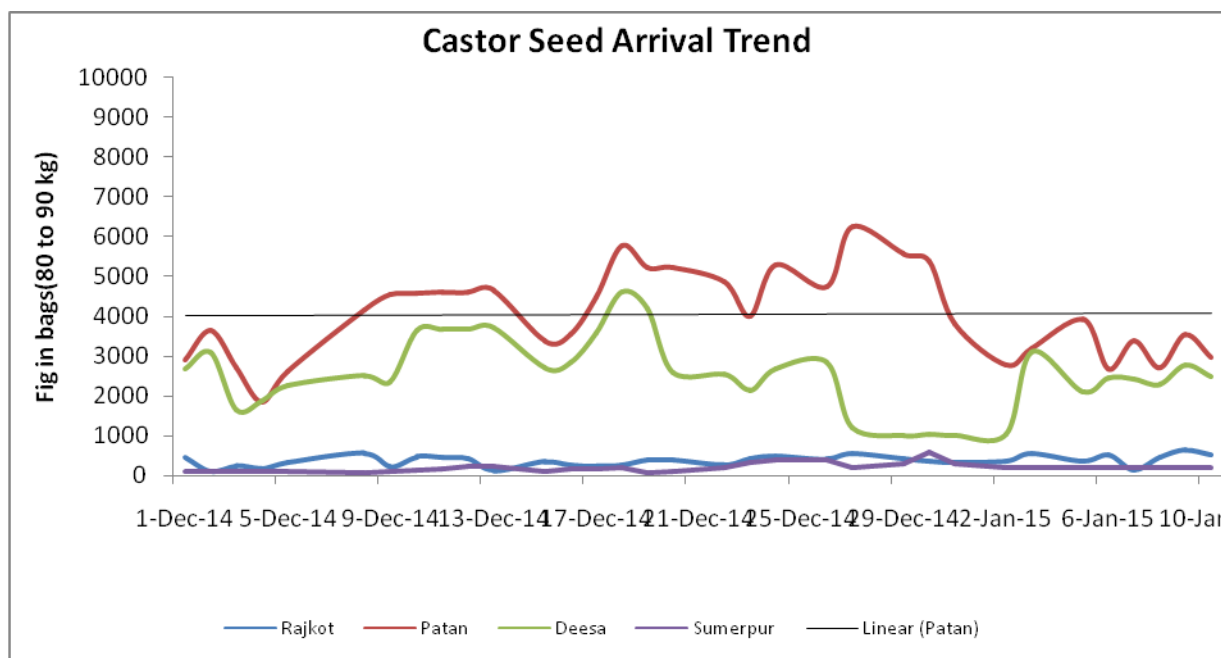
- **Castor seed market traded down during the first week** of January due to sluggish demand for castor products and increasing arrivals from old crop. Market may trade steady to slightly weak during current week. Major oil importers are unwilling to buy in bulk quantity as arrivals are expected to increase by the end of this month. Stockists, farmers and other stake holders have started releasing stock to avail the benefit of higher price. There is a talk in the market that yield may be lower than last year in some major producing districts of Gujarat. However it would not help market to get firmer.
- **Stock is ample and as per trades estimate there is a 5.5 lakh tonne** seed availability from old crop. Demand for seed from planters is negligible and stock of seed arriving in various markets are being stored out in exchange's warehouses. Delivery intention is lower so far due to disparity. Castor oil buyers are not in a hurry to buy and so planters are not ready to take delivery at current prices.
- **Despite various estimates of lower crop size ranging from 12 to 14 lakh tonne**, outlook remains bearish for seed in the medium term. Arrivals in various markets of Gujarat have increased in the month of December.
- **Market may dip from mid Feb when arrivals from new crop** would increase. Agriwatch would revise its production estimate in Feb. Preliminary signal says that crop would be higher than last year despite report of crop loss and yield in Bhuj and Surendra Nagar area. Some crop loss has been reported in major growing belt of Patan and Mahesana too due to pest attack. It may reduce the final yield by 100 to 125kg per ha.
- **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 demand for seed for crushing as seed prices are** ruling higher at this point of time. As oil demands rule lower, demand for seed would be seen lower in this month. Major buyers may wait for decrease in prices by March end by then price may dip around Rs 4000 per qtl. However, major players would remain the price driving force in January and Feb.
- **FOB quote In Kandla has decreased considerably from \$1470 to \$1440** per tonne in last four weeks and it is likely to rule in the range of \$1430 to \$1445 in the month of January. Demand from China, EU, US and Japan is expected to remain weak till January and February. Major players would buy only need based buying until arrival gets its peak. We expect peak up in arrivals from Mid March.

## Castor Seed Price Chart:



With declining prices arrivals have decreased in the first week of January. Pressure on price continues and it may impact price more in the markets of Gujarat and Rajasthan in the coming weeks. New crop will start hitting the market by the end of the month in Rajasthan in a fewer quantity. Price will decrease more as demand from planters is negligible.

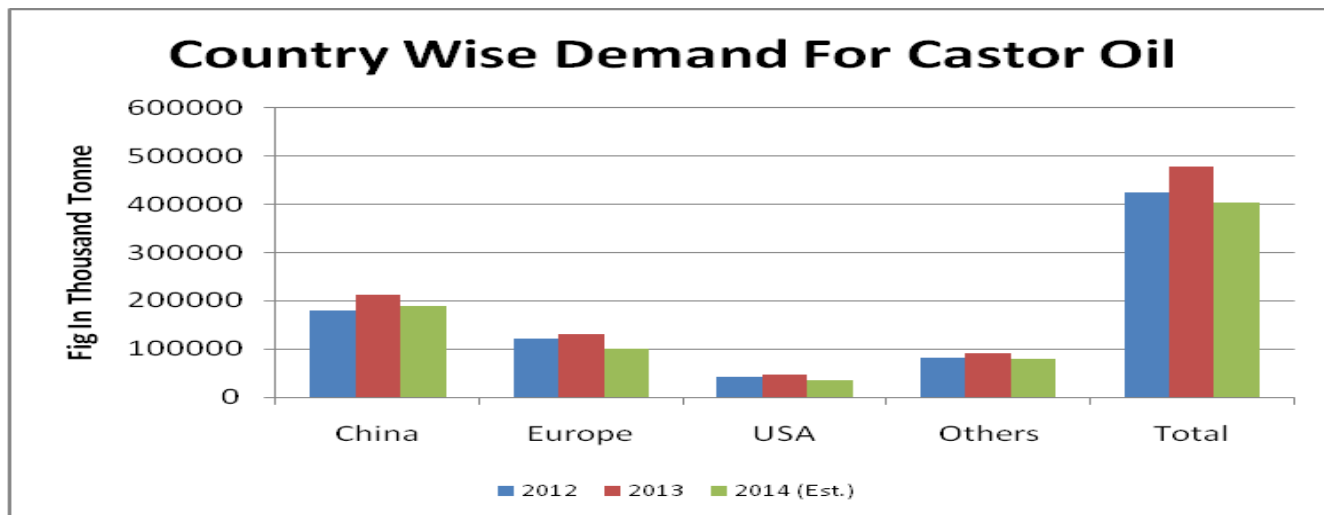
## Castor Seed arrival Chart:



With decreasing price arrivals in various mandis have decreased considerably and it may increase further in the weeks ahead. The arrival will increase again by the end of January and pressure on price

will continue.. 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.

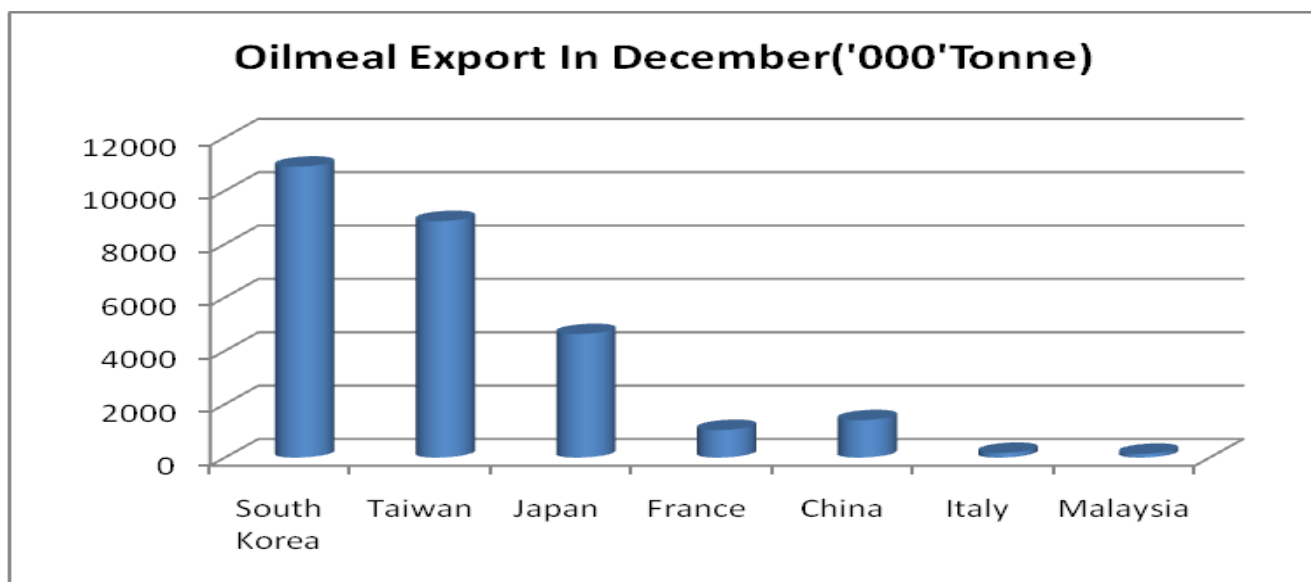
#### Country Wise Demand For Castor Oil:



Source:IBIS/Agriwatch

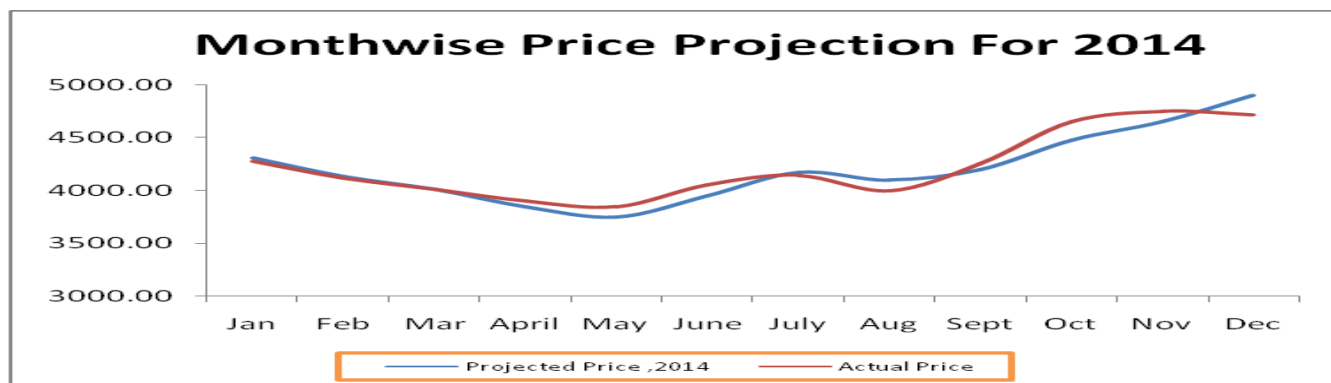
Big buyers like China, EU and US would reduce their buying due to high oil price and total export would be around 4lakh tonne, almost 75000 tonne lower than last year. Fresh entry is expected in Feb,2015. China, Europe and US has decreased their buying at this point of time. Local demand is below normal. 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 first week of January 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.

#### Price In Dec. For Seed:

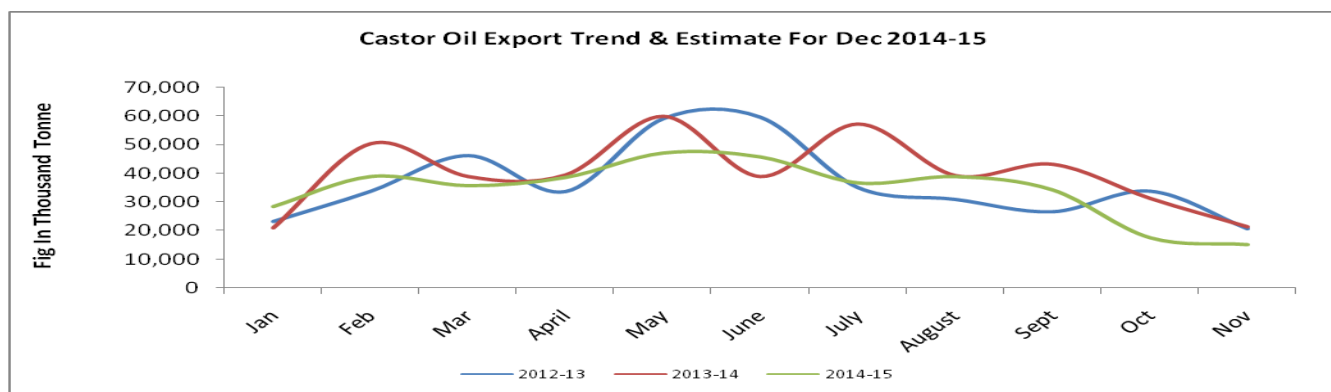


Blue line indicates projected price for seed based on seasonality and demand –supply factors concluded by Agriwatch. Red line indicates actual price movement in the market so far. Seed price may hover in the range of Rs 4650 to Rs 4750 per qtl. in Deesa market.

#### 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:

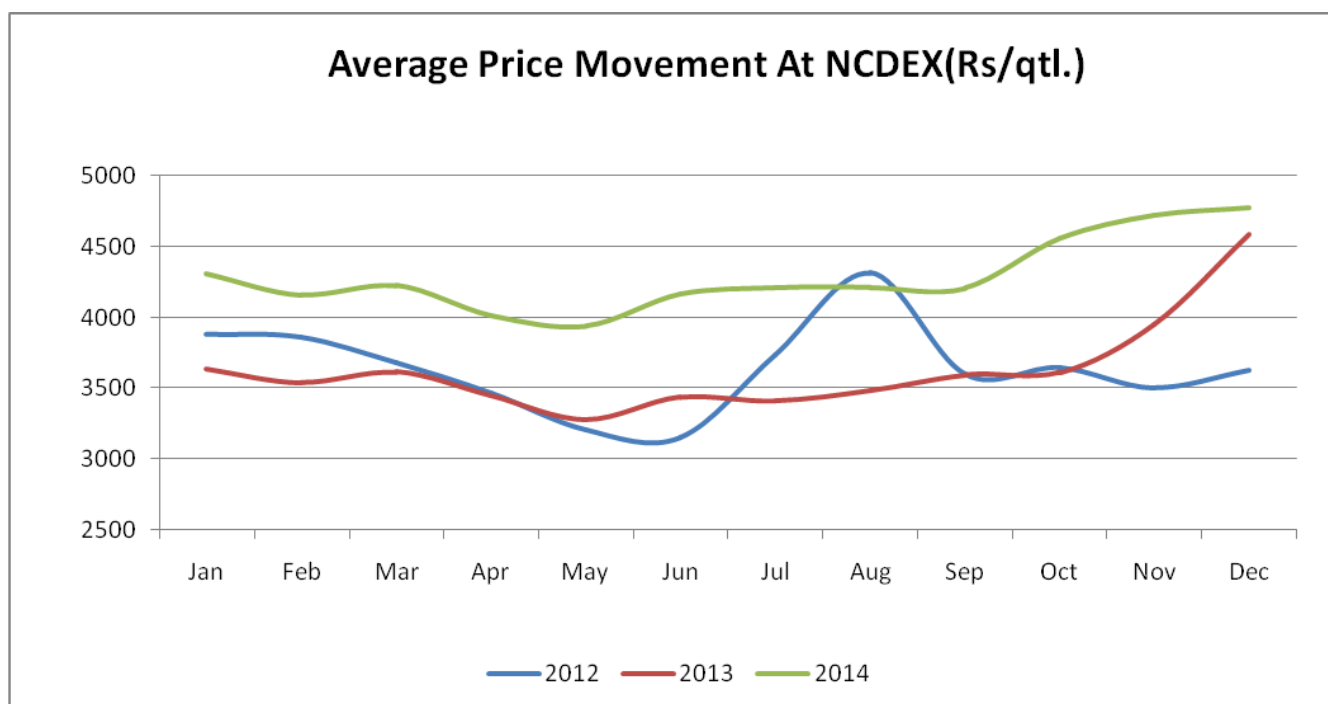


Castor oil export trend shows sluggish demand June onward and continued under pressure till December. Total export during last 12 months was registered at 382298 tonne and Agriwatch expect 18000 tonne export in December. Thus total export from Jan to Dec-2014 would be around 400000 tonne.

Comparative Prices Of Castor Products Including Seed					
	9th Jan'15	2 th Jan'15	9th Dec'14	9th Jan '14	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	45300	45300	44250	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

### 3. Yearly Average Price Variations At NCDEX :



Castor seed prices in major markets continued to trade firm as above given chart shows. Uptrend is unlikely to continue in January as demand for oil is below expectation on higher price.

### Technical Analysis:

Castor Seed



### Technical Commentary:

- Candlestick chart shows bullish tone in the futures market.
- RSI moving down in neutral zone hints caution to the bulls..
- Prices closed up 9 and 18 days EMAs denotes firmness in the short term.

### Strategy: Buy

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Castor Seed	NCDEX	Feb	4710	4691	4718	4855	4779
Pre-Market Intraday Trade Call*			Call	Entry	T1	T2	SL
Castor Seed	NCDEX	Feb	Buy	above 4710	4740	4755	4690

### Cash Markets Price Movement:

### Castor Seed Weekly Prices on 9.1.2015

Commodity	Center	Market	Price (Rs/Q)		Change
			9-Jan-15	2-Jan-15	
Castor Seed	Rajasthan	Sumerpur	4100	4100	Unch
		Jodhpur	4250	4300	-50
	Gujarat	Rajkot	4255	4175	80
		Gondal	4205	4280	-75
		Patan	4705	4750	-45
		Deesa	4655	4715	-60
		Mehsana	4375	4475	-100
		Kadi	4425	4650	-225
		Ahmedabad	4500	4700	-200

Castor Price Weekly						
Commodity	Center	Market	Price (Rs/Q)			
			Today	Week Ago	Month Ago	6 Month Ago
			9-Jan-15	2-Jan-15	9-Dec-14	9-Jul-14
Castor Seed	Rajasthan	Sumerpur	4100	4100	4000	4000
		Jodhpur	4250	4300	3900	3900
	Gujarat	Rajkot	4255	4175	4025	4070
		Gondal	4205	4280	4130	4055
		Patan	4705	4750	4575	4255
		Deesa	4655	4715	4575	4275
		Mehsana	4375	4475	4250	4225
		Kadi	4425	4650	4235	4200
		Ahmedabad	4500	4700	4400	4200

### Castor Seed Weekly Arrivals Scenario on 9.1.2015

Commodity	Center	Market	Fig. in Quintal		Change %
			9-Jan-15	2-Jan-15	
Castor Seed	Rajasthan	Sumerpur	960	1420	-32.4
		Jodhpur	376	NR	-
	Gujarat	Rajkot	2675	2415	10.8
		Gondal	1571	1118	40.5
		Patan	16279	19088	-14.7
		Deesa	9664	7433	30.0
		Mehsana	1360	1960	-30.6
		Kadi	8670	14096	-38.5
		Other Gujarat	39781	24290	63.8
	Total Arrival		81336	71820	13.2

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