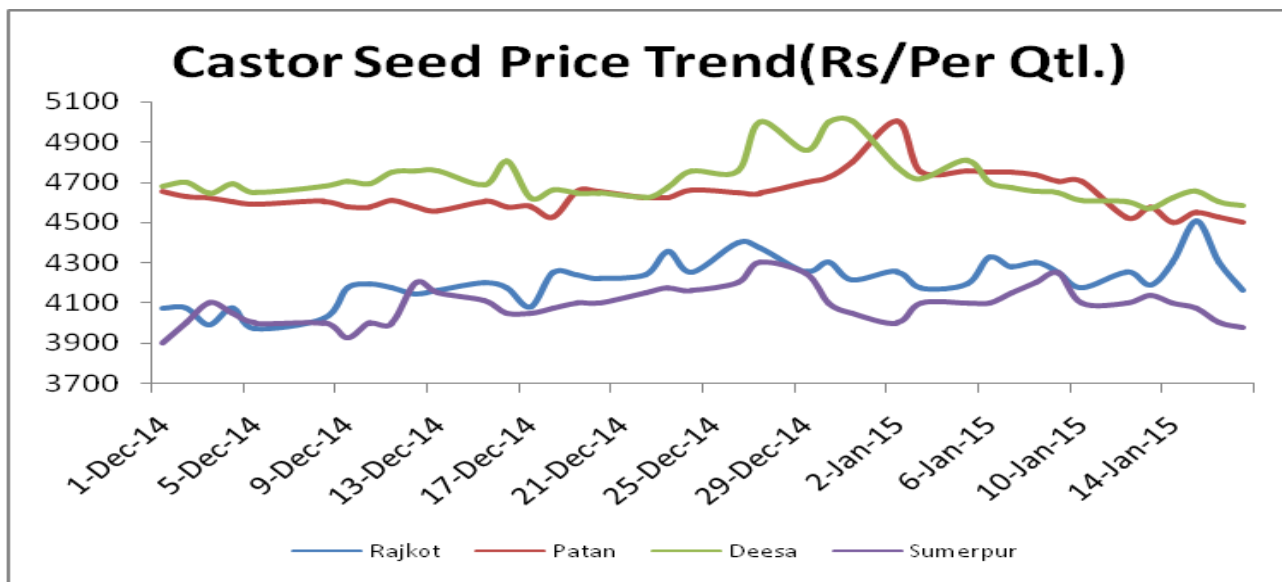


Castor Domestic Fundamentals: -

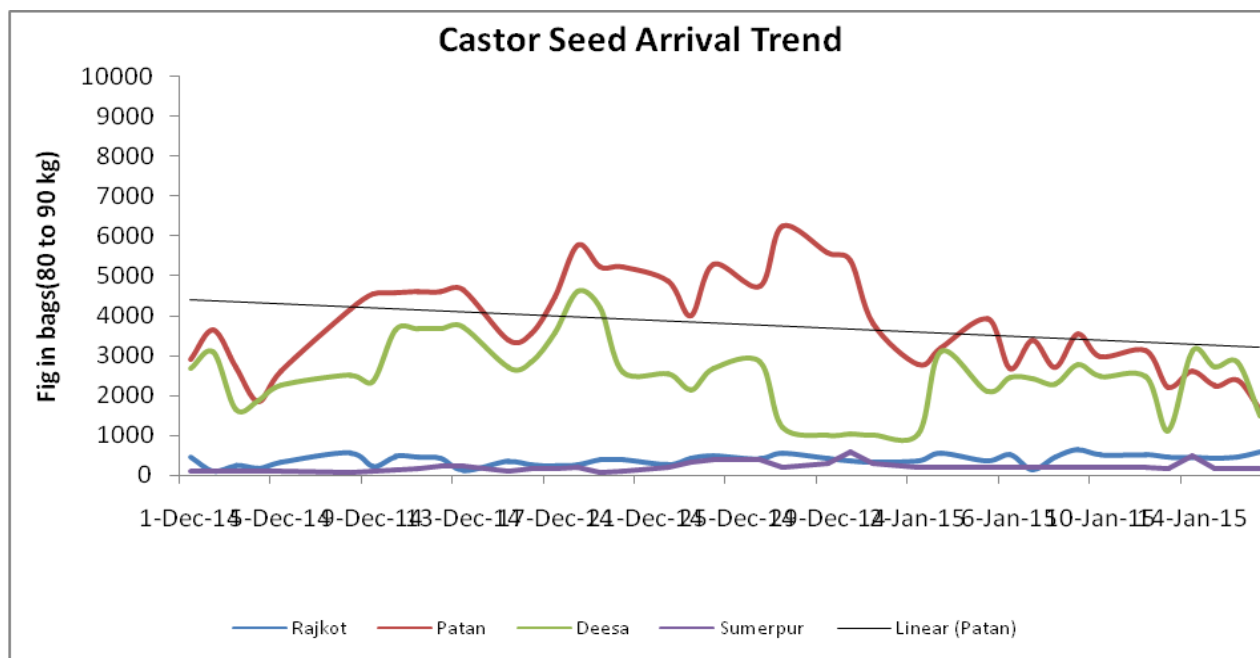
- **Cash market continued to trade lower during the** second week of January and pressure continues on market as arrivals from the new crop is expected to increase by the mid of February. Seed from old stock too is coming to the market and the quantity may increase in the weeks ahead as inner tone in the market turns bearish. Besides, planters are waiting for more dip and their buying are restricted at this point of time. Importers too are engaged in need based buying.
- **Stock is said to be more than normal trade estimate. Total stock** of seed could be over 6.5 lakh tones at this point of time. Market experts assume that this year total crushing up to December has not been more than 9 lakh tones as export demand for oil was seen lower than normal expectation. Despite various estimates of lower crop size ranging from 12.5 to 14.5 lakh tonne, outlook remains bearish for seed in the medium term. Arrivals in various markets of Gujarat have increased in the month of December. And would continue to increase till April.
- **The latest survey report suggests that harvested area would be lower by** 10 to 12 percent in Gujarat in comparison to sowed area this year. Average yield is almost similar in major growing district of Gujarat. However, yield loss is feared in un-irrigated area. Besides , incidence of pest attack too have affected the total size of the crop. Irrespective of all these negative factors, overall crop size would be higher by 2.5 to 3 lakh tonne from last year and it may affect seed price negatively in the weeks ahead.
- **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.
- **FOB quote In Kandla remained almost unchanged at \$1440** per tonne during the week under review. It is likely to rule in the range of \$1430 to \$1440 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:



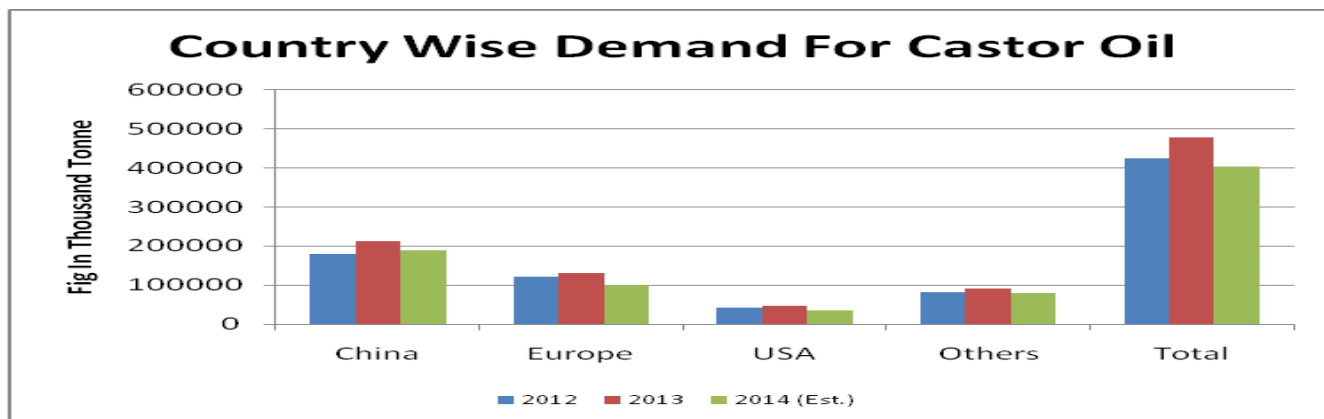
With declining prices arrivals have decreased in the second week of January too. Pressure on price continues and it may impact price more in the markets of Gujarat and Rajasthan in the coming weeks. Arrival from new crop will start increasing from Mid February. Price will decrease more as demand from planters is negligible.

Castor Seed arrival Chart:



With decreasing price arrivals in various mandis have decreased considerably however it may increase again in the weeks ahead and pressure on price will continue.. Crop size is being pegged in between 13 to 14.5 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.

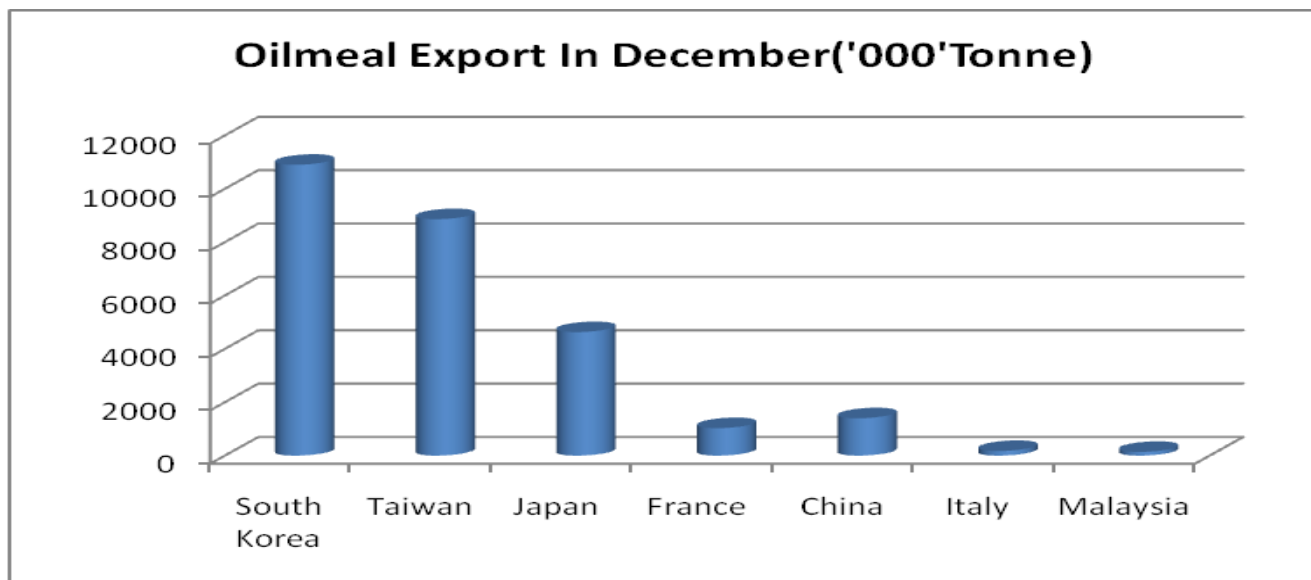
Country Wise Demand For Castor Oil:



Source:IBIS/Agriwatch

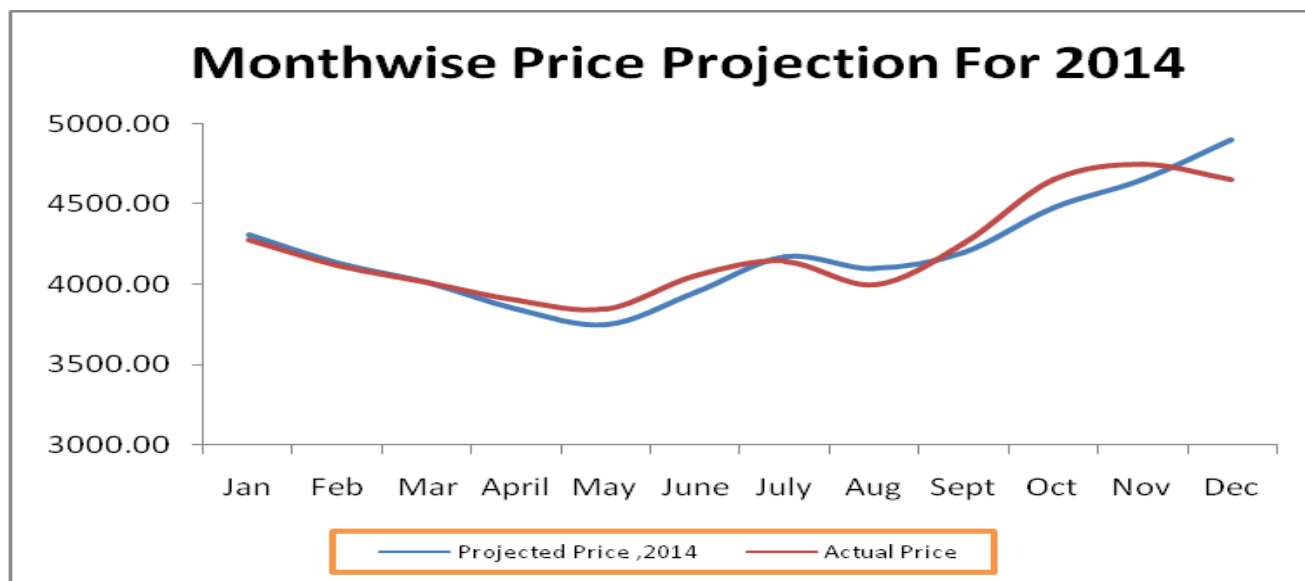
Big buyers like China, EU and US would reduce their buying due to high oil price and total export would be around 4lakh tonne, almost 75000 tonne lower than last year. Fresh entry is expected in Feb,2015. China, Europe and US has decreased their buying at this point of time. Local demand is below normal.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

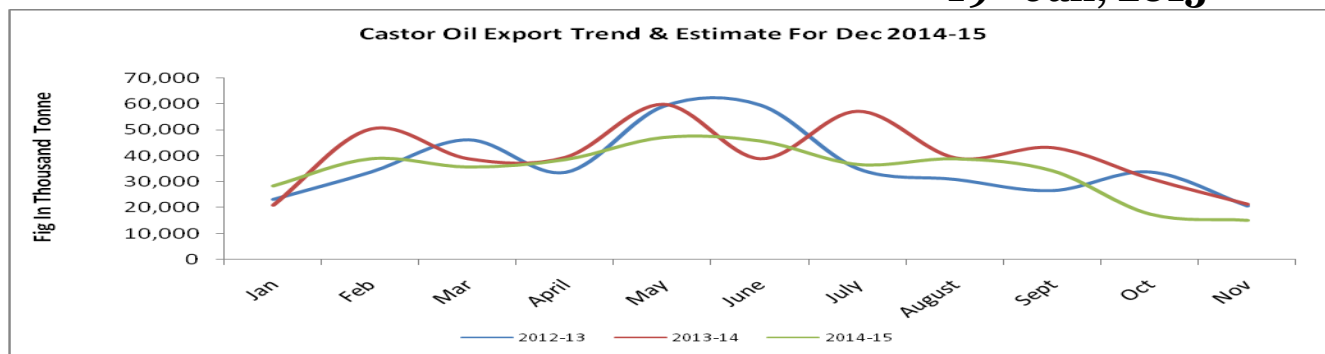


Blue line indicates projected price for seed based on seasonality and demand –supply factors concluded by Agriwatch. Red line indicates actual price movement in the market so far. Seed price may hover in the range of Rs 4600 to Rs 4650 per qtl. in Deesa market.

Cash Market Price Outlook For Deesa Spot:

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	4600-4625	4625-4650
Medium Term (30 days)	4550-4600	4600-4650

Castor Oil Export Trend:

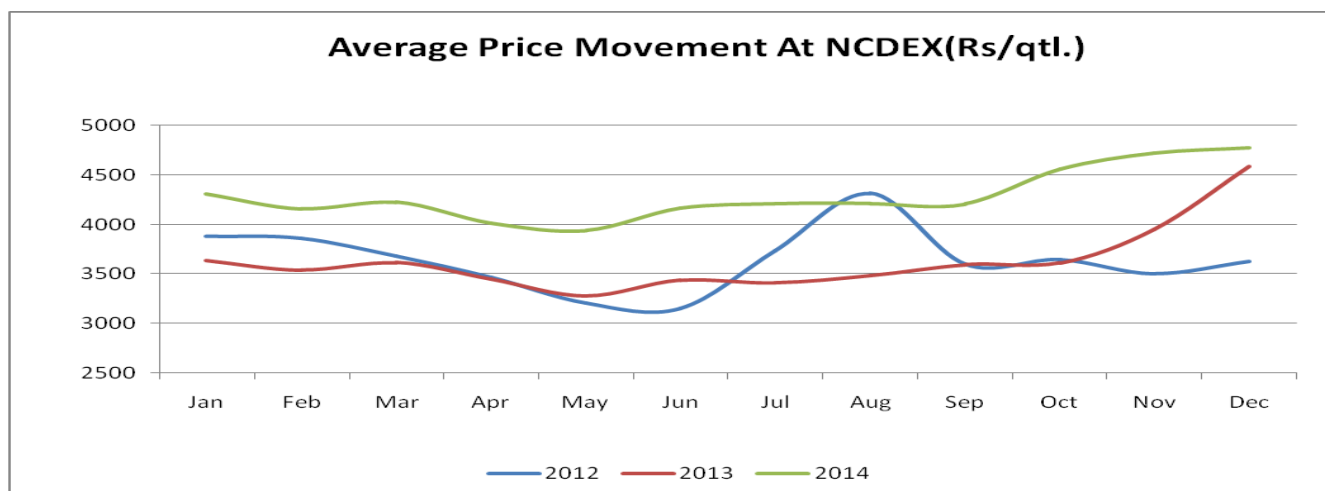


Castor oil export trend shows sluggish demand June onward and continued under pressure till December. Total export during last 12 months was registered at 382298 tonne and Agriwatch expect 18000 tonne export in December. Thus total export from Jan to Dec-2014 would be around 400000 tonne.

Comparative Prices Of Castor Products Including Seed					
	16th Jan'15	9 th Jan'15	16th Dec'14	16th Jan '14	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	44750	45300	44500	42458	5.12
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	133	135	140	107	19.55
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	8100	8100	8300	6,352	21.58
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1440	1440	1465	1416	1.67
Local rates for oil in domestic market(Rs./M.T.) for comm.	89000	89000	87000	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:



Technical Commentary:

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

Strategy: Sell

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Castor Seed	NCDEX	Feb	4480	4400	4525	4600	4701
Pre-Market Intraday Trade Call*			Call	Entry	T1	T2	SL
Castor Seed	NCDEX	Feb	Buy	above 4550	4500	4480	4575

Cash Markets Price Movement:

Castor Seed Weekly Prices on 16.1.2015

Commodity	Center	Market	Price (Rs/Q)		Change
			16-Jan-15	9-Jan-15	
Castor Seed	Rajasthan	Sumerpur	4000	4100	-100
		Jodhpur	3900	4250	-350
	Gujarat	Rajkot	4505	4255	250
		Gondal	4030	4205	-175
		Patan	4550	4705	-155

Castor Weekly Report 19th Jan, 2015

		Deesa	4655	4655	Unch
		Mehsana	4300	4375	-75
		Kadi	4400	4425	-25
		Ahmedabad	4500	4500	Unch

Castor Price Weekly						
Commodity	Center	Market	Price (Rs/Q)			
			Today	Week Ago	Month Ago	6 Month Ago
			16-Jan-15	9-Jan-15	16-Dec-14	16-Jul-14
Castor Seed	Rajasthan	Sumerpur	4000	4100	4050	3960
		Jodhpur	3900	4250	4100	3850
	Gujarat	Rajkot	4505	4255	4175	3925
		Gondal	4030	4205	4155	3980
		Patan	4550	4705	4575	4230
		Deesa	4655	4655	4805	4175
		Mehsana	4300	4375	4450	4160
		Kadi	4400	4425	4350	4085
		Ahmedabad	4500	4500	4625	4200

Castor Seed Weekly Arrivals Scenario on 16.1.2015

Commodity	Center	Market	Fig. in Quintal		Change %
			16-Jan-15	9-Jan-15	
Castor Seed	Rajasthan	Sumerpur	1280	960	33.33
		Jodhpur	660	376	75.53
	Gujarat	Rajkot	2270	2675	-15.14
		Gondal	1457	1571	-7.26
		Patan	10208	16279	-37.29
		Deesa	11771	9664	21.80
		Mehsana	624	1360	-54.12
		Kadi	8244	8670	-4.91
		Other Gujarat	33426	39781	-15.97
	Total Arrival		69940	81336	-14.01

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