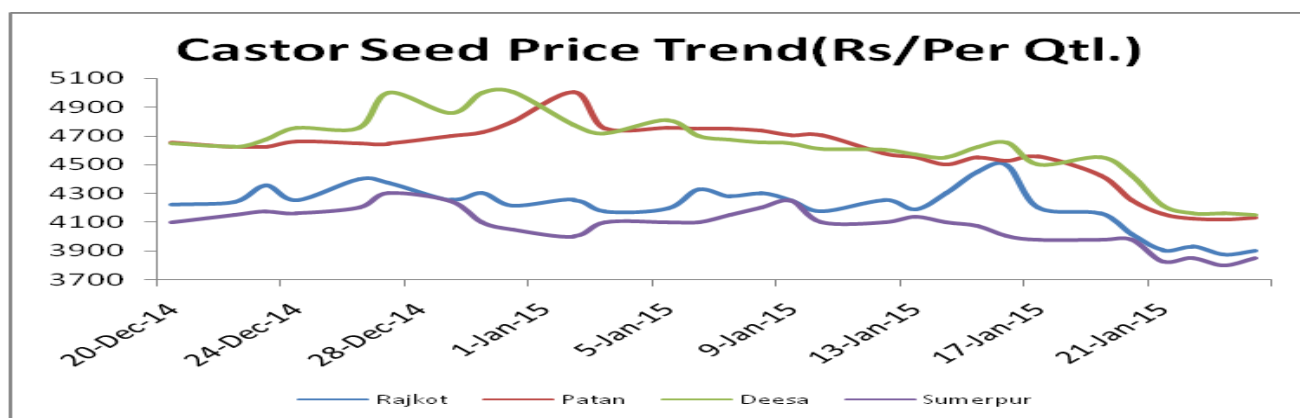


Castor Domestic Fundamentals: -

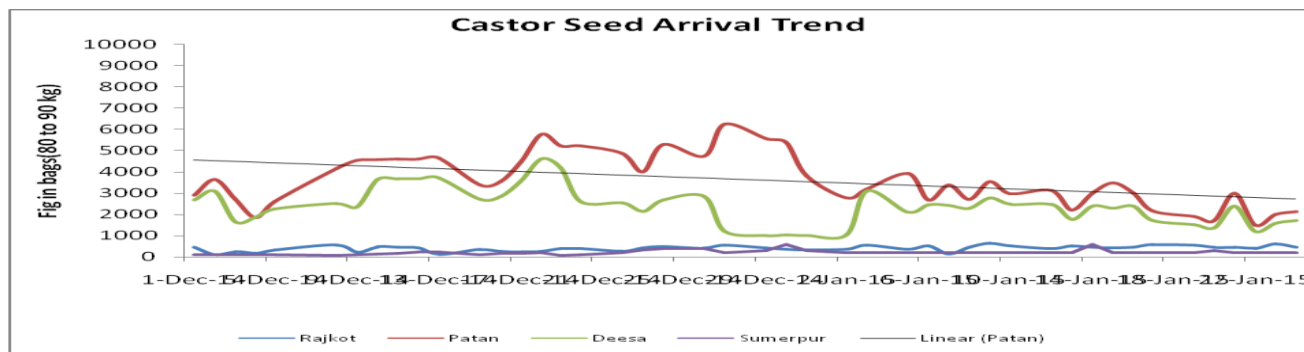
- **Cash market continued to trade lower during the** third week of January and pressure continues on market as arrivals from the new crop are expected to improve further. Arrivals from old stock too are entering into the market. Inner tone in the market remains bearish despite projections of crop loss. Planters are waiting for more dip and their buying are restricted at this point of time. Importers too are engaged in need based buying. Fresh buying for seed from planters may start from mid February, by then market may stabilize.
- **Stock is said to be more than assumed 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 January 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 too is expected to decrease in major rainfed growing districts of Gujarat. 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 1 to 2 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.
- **Castor seed in Gujarat decreased by 3.91 percent in comparison to** last week from Rs 44750 to Rs 43000 per tonne. However, it is higher by 1.28 percent from the price realised on Jan 2014. Castor meal in bulk volume for export at Kandla is being quoted at \$132 per tonne. It is 23.36 percent higher than price realised on Jan-2014. It is traded at Rs 7700 per tonne at Kandla.
- **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 at Kandla decreased considerably from \$1440** per tonne to \$1410 per tonne during the week under review. It is likely to rule in the range of \$1390 to \$1400 in the month of February. 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 in arrivals from Mid March.

Castor Seed Price Chart:



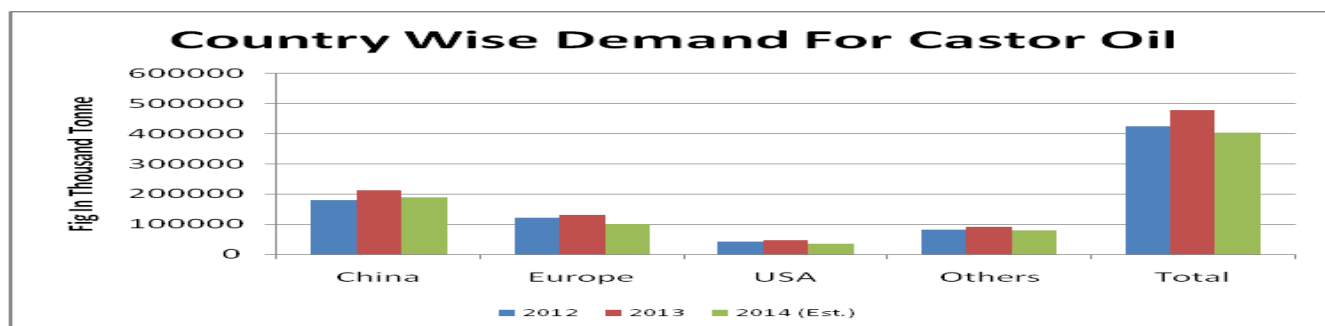
With declining prices arrivals have decreased in the third week of January too. Pressure on price continues and it may impact price more in the markets of Gujarat and Rajasthan in the coming weeks. More dip is expected on supply pressure and lower demand for seed.

Castor Seed arrival Chart:



Arrival from new crop is expected to increase from mid February. Major portion of arrivals are from old crop. Pressure may be seen from end February.

Country Wise Demand For Castor Oil:



Source: IBIS/Agriwatch

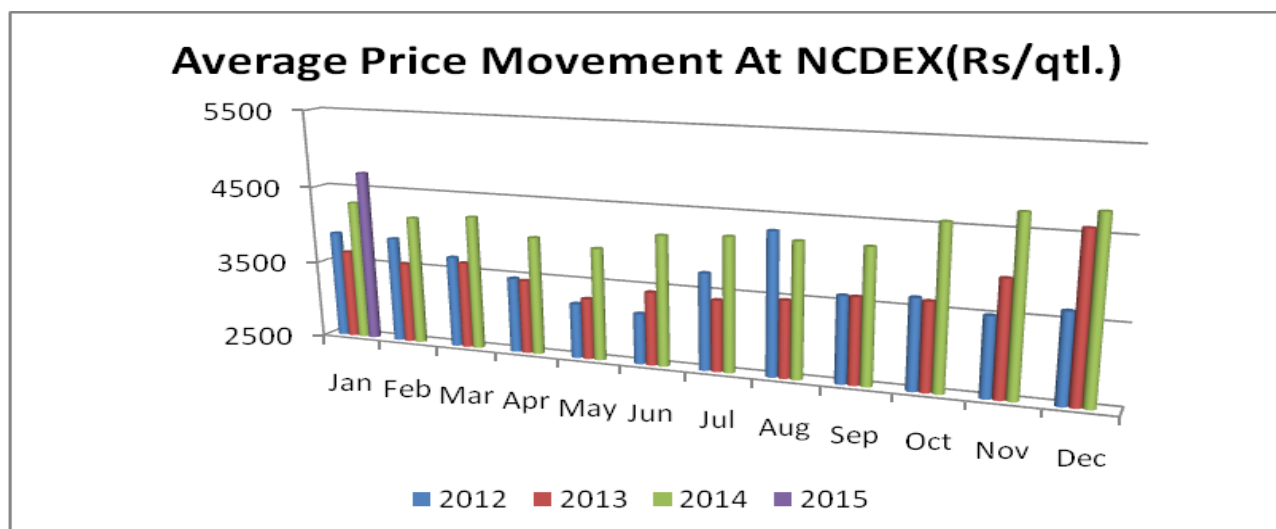
Big buyers like China, EU and US would reduce their buying due to high oil price and total export would be around 4 lakh tonne, almost 75000 tonne lower than last year. Fresh entry is expected in Feb, 2015. China, Europe and US has decreased their buying at this point of time. Local demand is below normal.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

Comparative Ave Price For Seed at NCDEX:

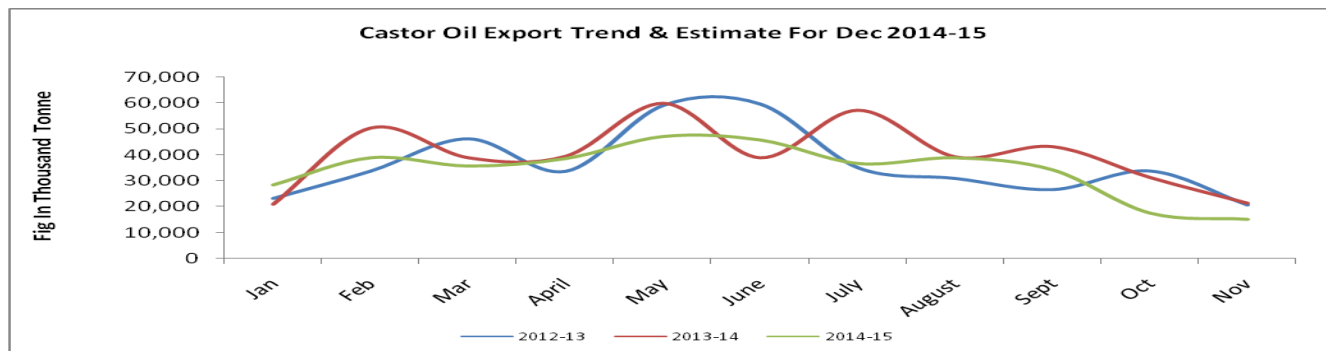


Seed average price in January 2015 is ruling higher despite considerable decrease in seed prices in major mandis. Average price would decrease to Feb 2014 level as pressure continues in the market.

Cash Market Price Outlook For Deesa Spot in Jan:

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	4050-4100	4100-4150
Medium Term (30 days)	4000-4025	4025-4050

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					
	23th Jan'15	16 th Jan'15	23th Dec'14	23th Jan '14	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	43000	44750	44500	42458	1.26
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	132	133	135	107	18.94
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	7700	8100	8100	6,352	17.51
Castor Oil (First Grade) FOB Kandla (Export)\$/Tonne	1410	1440	1450	1416	-0.43
Local rates for oil in domestic market(Rs./M.T.) for comm.	87500	89000	88000	85920	1.81

Source: SE A

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	4050	4001	4100	4145	4225
Pre-Market Intraday Trade Call*			Call	Entry	T1	T2	SL
Castor Seed	NCDEX	Feb	sell	below 4125	4075	4050	4145

Cash Markets Price Movement:

Castor Seed Weekly Prices on 23.1.2015

Commodity	Center	Market	Price (Rs/Q)		Change
			23-Jan-15	16-Jan-15	
Castor Seed	Rajasthan	Sumerpur	3800	4000	-200
		Jodhpur	3800	3900	-100
	Gujarat	Rajkot	3930	4505	-575
		Gondal	3905	4030	-125
		Patan	4125	4550	-425
		Deesa	4160	4655	-495
		Mehsana	3950	4300	-350
		Kadi	4020	4400	-380

		Ahmedabad	4000	4500	-500
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Castor Price Weekly						
Commodity	Center	Market	Price (Rs/Q)			
			Today	Week Ago	Month Ago	6 Month Ago
			23-Jan-15	16-Jan-15	23-Dec-14	23-Jul-14
Castor Seed	Rajasthan	Sumerpur	3800	4000	4160	3900
		Jodhpur	3800	3900	4050	3700
	Gujarat	Rajkot	3930	4505	4355	3950
		Gondal	3905	4030	4155	3930
		Patan	4125	4550	4625	4120
		Deesa	4160	4655	4755	4075
		Mehsana	3950	4300	4375	4055
		Kadi	4020	4400	4555	4090
		Ahmedabad	4000	4500	4700	4075

Castor Seed Weekly Arrivals Scenario on 23.1.2015

Commodity	Center	Market	Fig. in Quintal		Change %
			23-Jan-15	16-Jan-15	
Castor Seed	Rajasthan	Sumerpur	1040	1280	-18.75
		Jodhpur	NR	660	-
	Gujarat	Rajkot	2620	2270	15.42
		Gondal	1255	1457	-13.86
		Patan	12287	10208	20.37
		Deesa	8658	11771	-26.45
		Mehsana	600	624	-3.85
		Kadi	5520	8244	-33.04
		Other Gujarat	37060	33426	10.87
	Total Arrival		69040	69940	-1.29

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