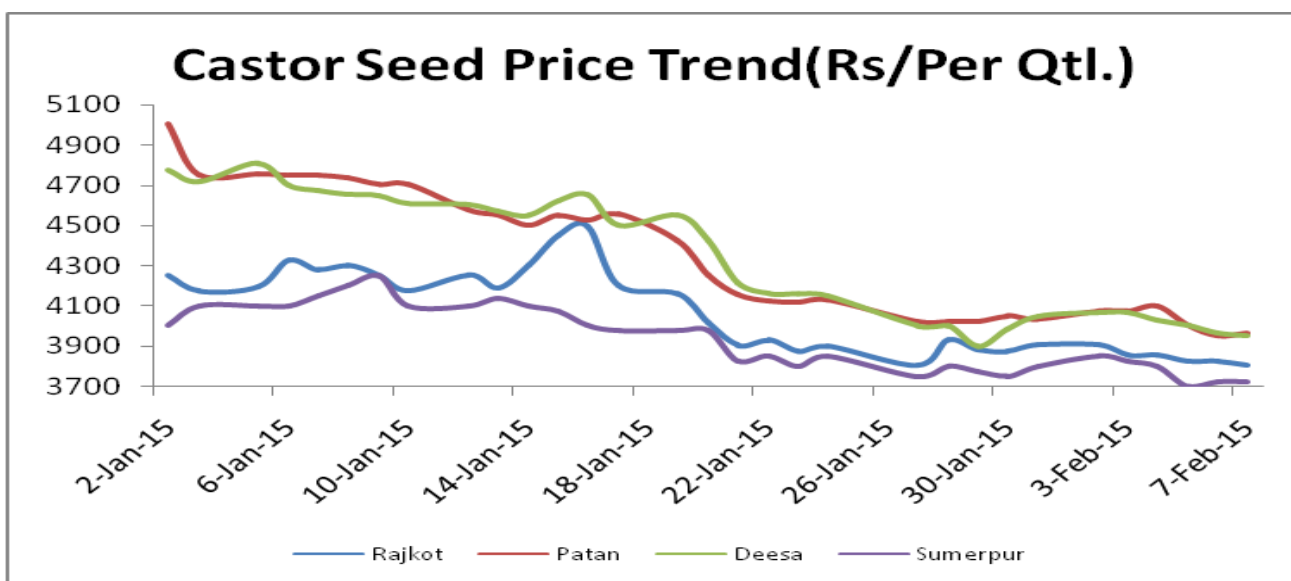


Castor Domestic Fundamentals:

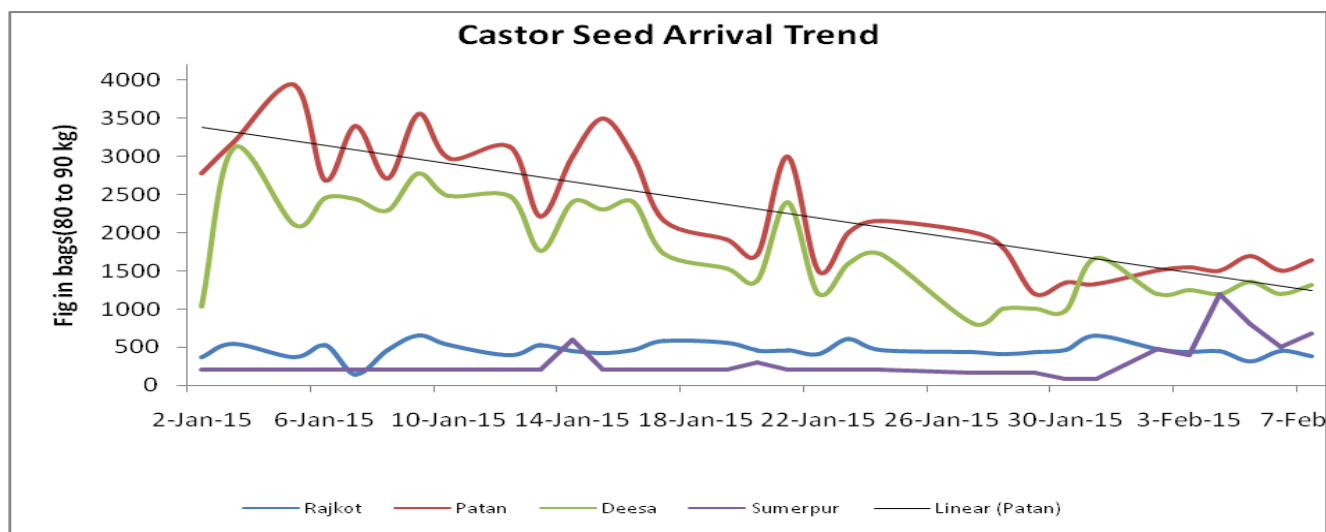
- **Downward pressure continued to dominate cash market** despite lower crop estimate. Arrivals have come down in recent weeks from old stock. However, pressure from new crop is expected by the end of this month. As prices are under pressure, well to do farmers may retain 20 percent new crop in anticipation of better price once again in the second half of the year. Overall sentiments remain bearish at this point of time.
- **As prices are ruling lower and more dip is expected in the market**, buyers for oil would wait for one more month to start bulk buying. China, E.U and US may enter into the market in March, by then price would stabilize. Buyer's interest might be seen around \$1350 per tonne and oil price may touch this level by the first week of March.
- **Major stock holders strategy might be to increase stock holding at lower level** and they would allow market to decrease in the peak arrival season. The condition may be same as seen in the last year. Arrival would comparatively lower in the month of May and market may start firming up slowly by then.
- **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 1.5 to 2 lakh tonne from last year and it may affect seed price negatively in the weeks ahead.
- **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 10 lakh tonnes as export demand for oil was seen lower than normal expectation. Despite various estimates of lower crop size ranging from 11.5 to 13.8 lakh tonne, outlook remains bearish for seed in the short to the medium term.
- **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. However, harvested area would be much lower than actual sowing. Agriwatch expects 12 to 14 percent area loss this year.
- **Castor seed in Gujarat decreased by 250 per tonne in comparison to last week** from Rs 41250 to Rs 41000 per tonne. It is higher by Rs 87 per tonne from the price realised on Feb, 2014. Castor meal in bulk volume for export at Kandla is being quoted at \$132 per tonne. It is 26.52 percent higher than price realised on Feb-2014. Meal price is being quoted at Rs 7700 per tonne at Kandla.
- **FOB quote at Kandla decreased considerably by \$25 per tonne from \$1395** per tonne to \$1370 per tonne during the week under review. It is likely to dip further of \$1370 to \$1350 in the month of February. Demand from China, EU, US and Japan is expected to remain weak till mid February. Major players would go for restricted buying until arrival gets its peak. We expect higher arrival from Feb end/Mid March.

Castor Seed Price Chart:



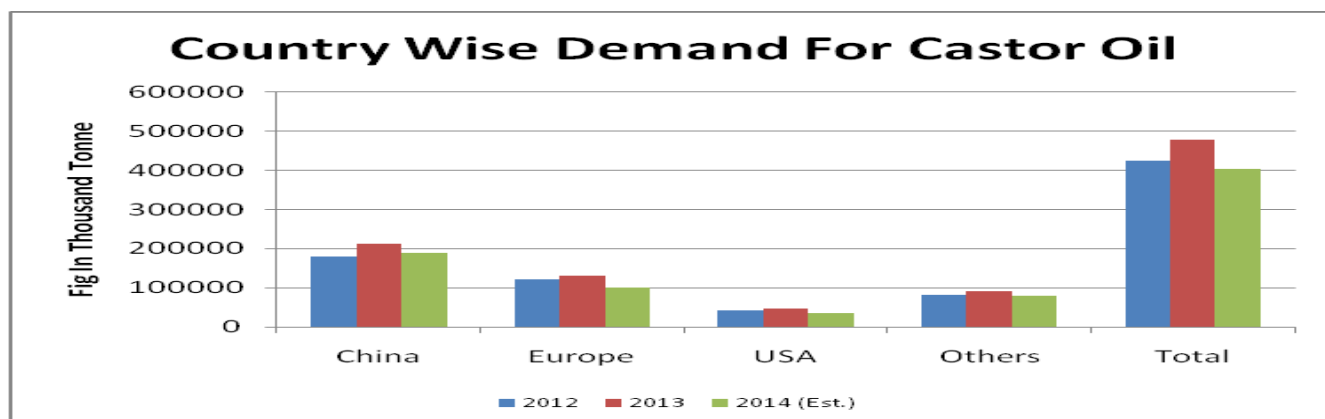
With new crop approaching near and arrivals are bound to increase in the weeks ahead, pressure on price continues. Planters too have started buying to some extent. Uptrend is unlikely to continue as old stock is believed to be over 6 lakh tonne. Supply would increase despite lower crop estimates in the second half of the year.

Castor Seed arrival Chart:



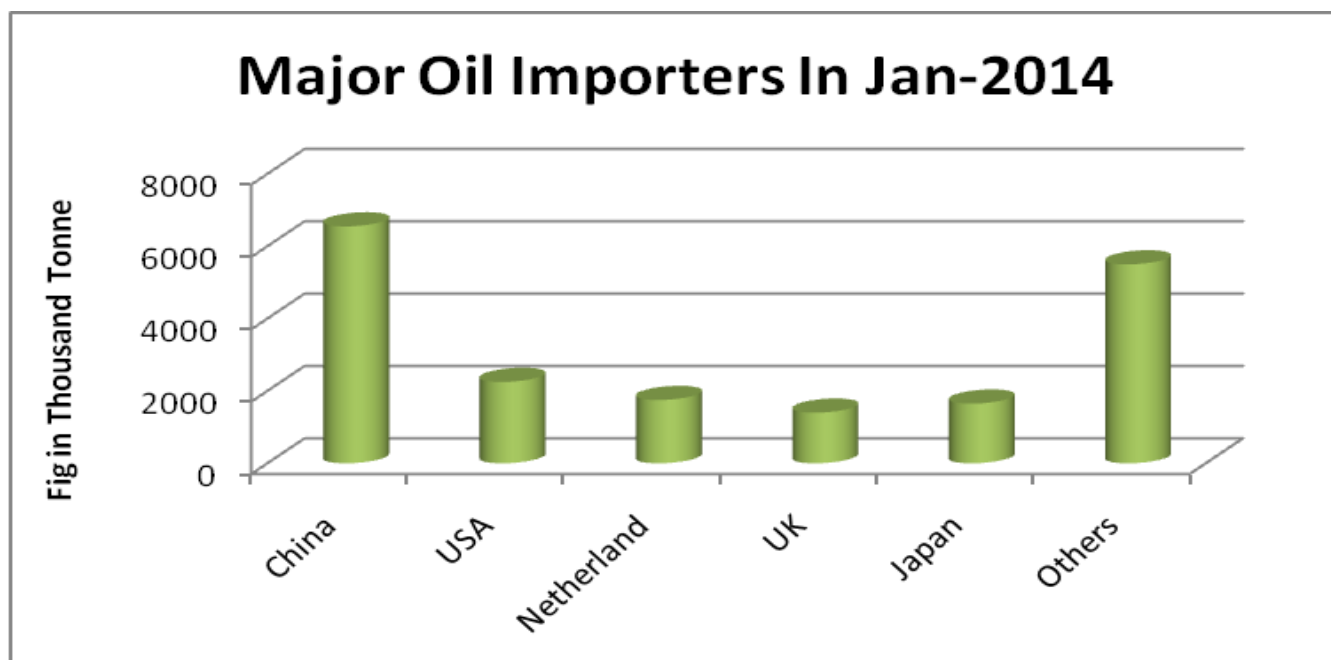
With decreasing price arrival trends in various mandis have sowed varied trend in the week under review. It has increased in Patan and Deesa. It decreased in Rajkot. Arrival pressure is expected by the end of Feb. Crop size is being pegged in between 11 to 13.0 lakh tonne by private trades. However, Agriwatch differs from this figure. Based on current field survey total production may be over 12 lakh tonne this year.

Country Wise Demand For Castor Oil:



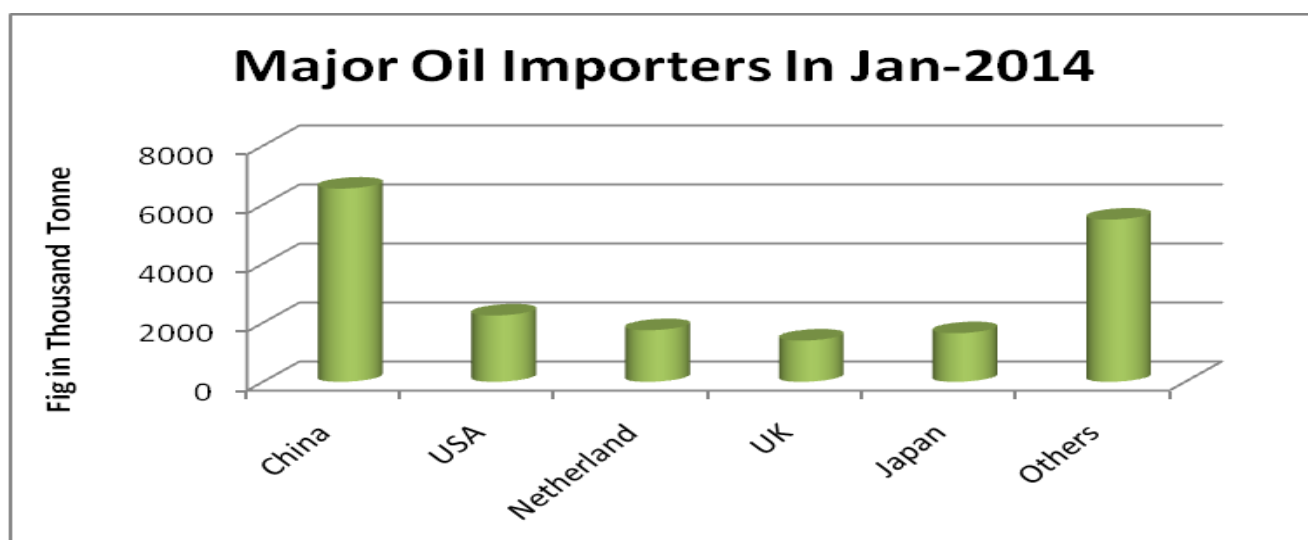
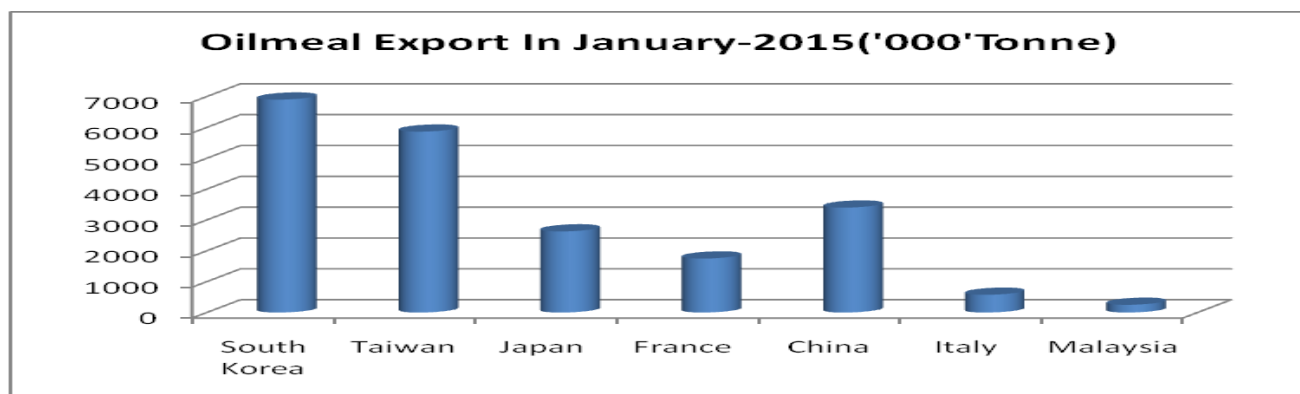
Source: IBIS/Agriwatch

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.

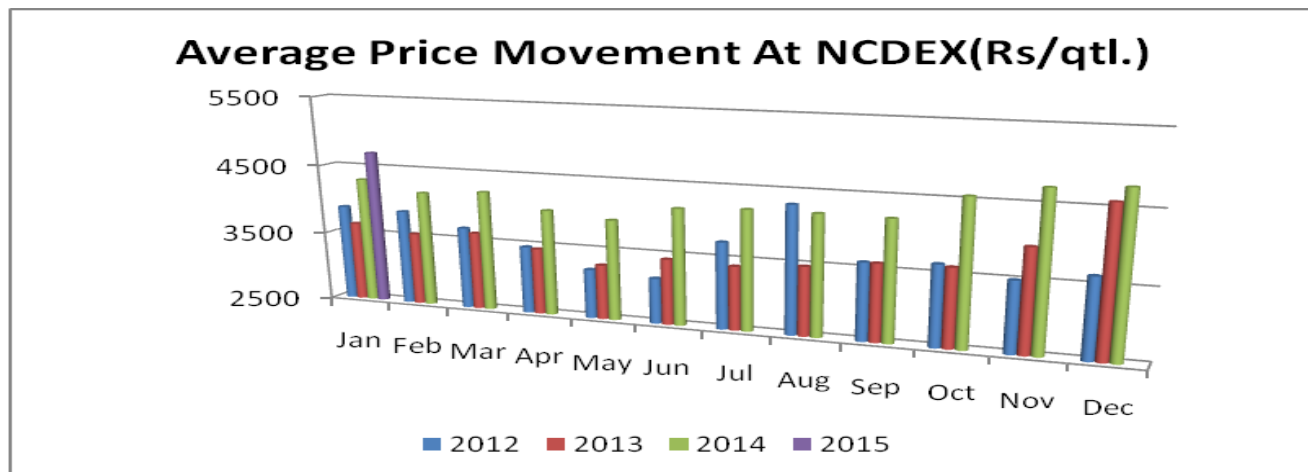


Around 20,000 toonne oil has been exported in the month of Jan and export volume would increase with decreasing seed prices. Major buyers may enter into the market from March, by then price of seed may stabilize.

Major Oil meal Importing Countries In January:



Seed Price In Jan At NCDEX:

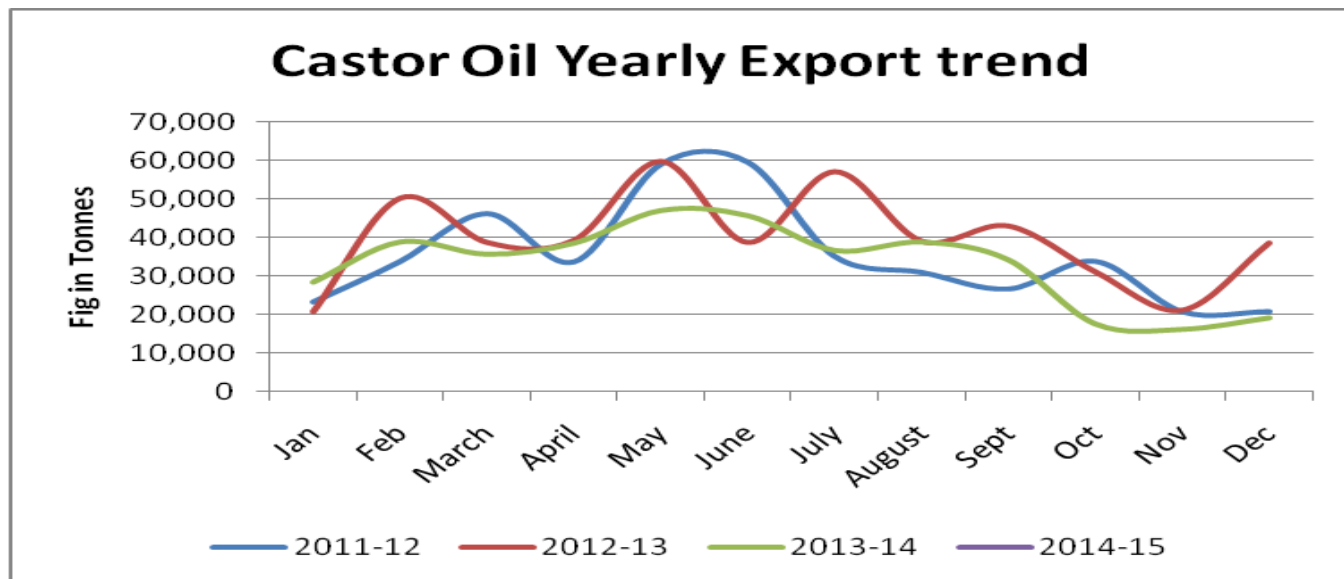


Average price is bound to dip more in the month of February as seed prices in last three weeks have decreased considerably.

Cash Market Price Outlook For Deesa Spot:

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	3850-3900	3900-3925
Medium Term (30 days)	3850-3900	3900-3950

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					
	6th Feb'15	30 th Jan'15	6th Jan'14	6th Feb '14	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	41000	41250	45300	40913	0.21
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	132	132	135	97	26.52
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	7700	7700	8100	5,700	25.97
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1370	1395	1440	1355	1.09
Local rates for oil in domestic market(Rs./M.T.) for comm.	84500	85500	89000	81761	3.24

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.
- The nearest by support is 3935 and the resistance is 4041.

Strategy: Sell on Rise

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Castor Seed	NCDEX	Mar	3935	3900	3975	4041	4125
Pre-Market Intraday Trade Call*			Call	Entry	T1	T2	SL
Castor Seed	NCDEX	Mar	Sell	above 4020	3960	3935	4041

Cash Markets Price Movement:

Castor Seed Weekly Prices on 60.02.2015

Commodity	Center	Market	Price (Rs/Q)		Change
			6-Feb-15	30-Jan-15	
Castor Seed	Rajasthan	Sumerpur	3725	3750	-25
		Jodhpur	3800	3800	Unch
	Gujarat	Rajkot	3825	3875	-50
		Gondal	3930	3930	Unch

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		Patan	3950	4050	-100
		Deesa	3965	3985	-20
		Mehsana	3925	3875	50
		Kadi	3975	4030	-55
		Ahmedabad	3900	3750	150

Castor Price Weekly						
Commodity	Center	Market	Price (Rs/Q)			
			Today	Week Ago	Month Ago	6 Month Ago
			6-Feb-15	30-Jan-15	6-Jan-14	6-Aug-14
Castor Seed	Rajasthan	Sumerpur	3725	3750	4075	3925
		Jodhpur	3800	3800	NR	3800
	Gujarat	Rajkot	3825	3875	3930	3940
		Gondal	3930	3930	NR	3955
		Patan	3950	4050	4475	4125
		Deesa	3965	3985	4439	4150
		Mehsana	3925	3875	NR	4075
		Kadi	3975	4030	NR	4020
		Ahmedabad	3900	3750	NR	4075

Castor Seed Weekly Arrivals Scenario on 60.02.2015

Commodity	Center	Market	Fig. in Quintal		Change %
			6-Feb-15	30-Jan-15	
Castor Seed	Rajasthan	Sumerpur	2960	640	362.50
		Jodhpur	312	NR	-
	Gujarat	Rajkot	2790	2200	26.82
		Gondal	1847	1185	55.86
		Patan	9075	6350	42.91
		Deesa	5135	2230	130.27
		Mehsana	680	736	-7.61
		Kadi	11543	4348	165.48
		Other Gujarat	4930	20551	-76.01
	Total Arrival		39272	38240	2.70

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