

**Castor Domestic Market Fundamentals: -**

Castor seed cash and futures markets could not sustain its previous high and continued to trade under pressure during the week under review taking clue from lower export sales, subdued demand for adhesive, soap and paint industries. More dip is unlikely as market has already factored out the impact of higher area coverage.

Castor Oil FoB quote stayed steady at \$1265 per tonne at Kandla port. As seed prices are ruling higher, FoB quote may go up in current quarter. Castor oil commercial grade is being traded at 85500 per tonne in domestic market. It may stay steady to slightly firm as demand from local soap, paint industries continue.

Castor oil export during week ending 28th Sep to 4<sup>th</sup> Oct was registered at 2143.44 tonne at an Average FoB price of \$1388.15 per T. Quantity wise it has increased by 73.42 percent week on week basis. India had exported 21762.51 tonne a week earlier. However, price realization too has increased by 3.48 percent last week. As prices of seed are expected to decrease, FoB quotes are bound to go down this week.

**Progressive Area Coverage: -**

Area coverage during kharif 2015 till 1st Oct-2015 was reported at 10.96 lakh ha in comparison to 10.34 lakh ha during same period last year. It is higher by 6.0 percent from last year. Major producing states like Gujarat and Rajasthan have covered 6.21 and 29.30 percent higher area this year. Sowing is now almost over.

Agriculture statistics Division, DES has released its 1<sup>st</sup> Adv estimates of Production of food-grains for 2015-16 on 16.09.2015. It has estimated 19.44 lakh tonne seed production this year. The production target for 2015-16 has been fixed at 20.34 lakh ton. India has produced 19.63 lakh tonne castor seed in 2014-15 as per revised 1<sup>st</sup> Adv estimate. Private trade estimate for the year is much lower and is between 15 to 16 lakh tonne for 2015-16. However, it is too early to talk about the final size as sowing is just over.

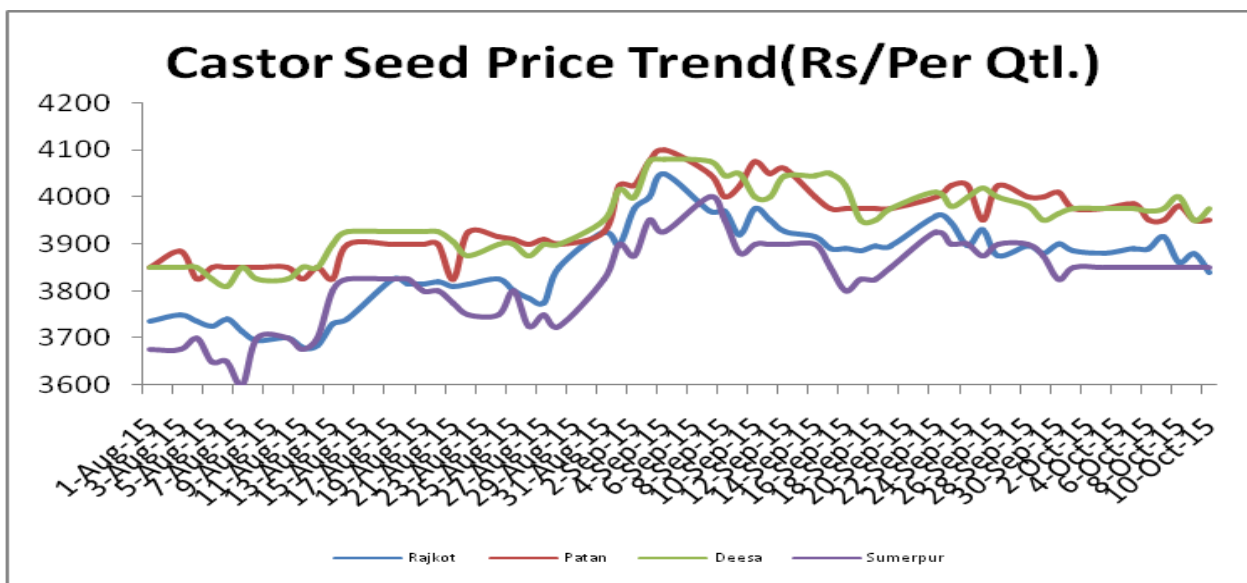
Castor seed meal export from Kandla port is being shipped out at \$114 per tonne on FoB basis. It is 1.36 percent lower than the price realized in the first week of Oct, 2014. Average meal price has increased by \$3 per tonne to \$114 per tonne. Meal market is expected to move up in the end of Sept as seed prices are expected to move up. India exported 108.9 tonne meal last week at an Ave price of 4164.65 per tonne. France brought castor meal at higher price.

Castor oil export has increased considerably last week. In the fourth week of Sep, castor oil export increased from 7576 tonne to 21762.51 tonne last week. Average price was recorded at \$1334.78 per tonne including premium grade price too. Higher export and demand for oil may push castor seed price up.

**Outlook & Recommendation: -**

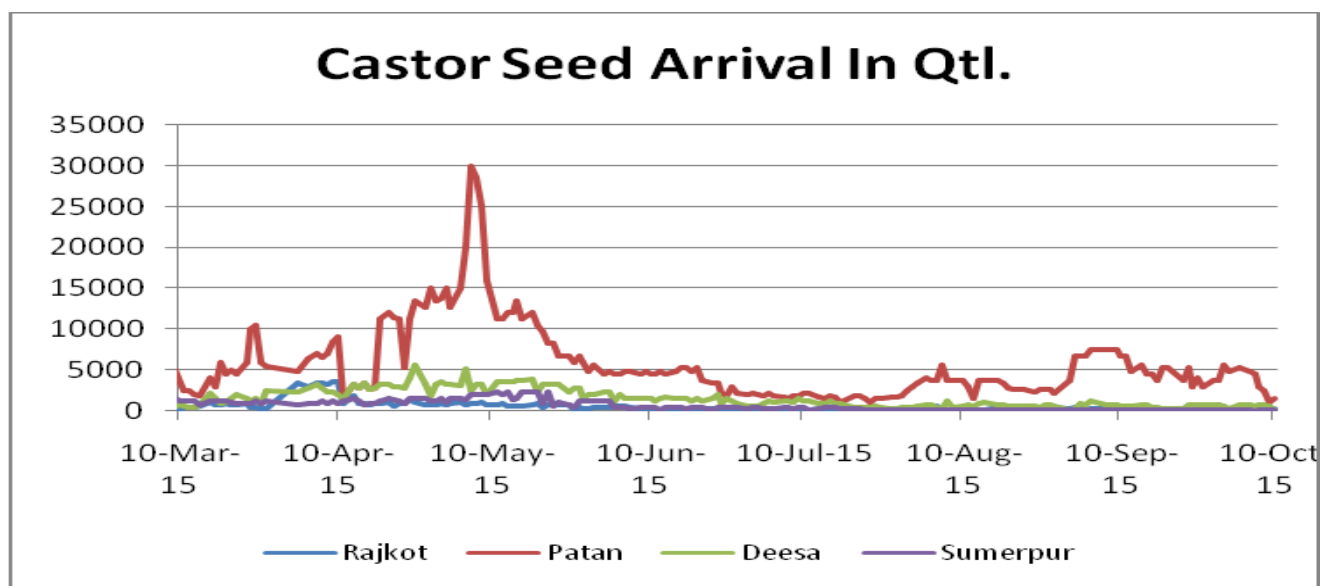
Overall market sentiment remains firm in the medium term. However, stake holders should wait for stabilization in the market. As new crop is five – six month away, stockists would try to drag market in their own favour in the third quarter. Seed stock is considered to be lower by 20 to 25 percent in comparison to last year. Major portion of stock is in strong hands. All these developments may lend support to castor seed market in the weeks ahead.

Stake holders may go for buying around 4120 for the target of 4250 in Nov contract.



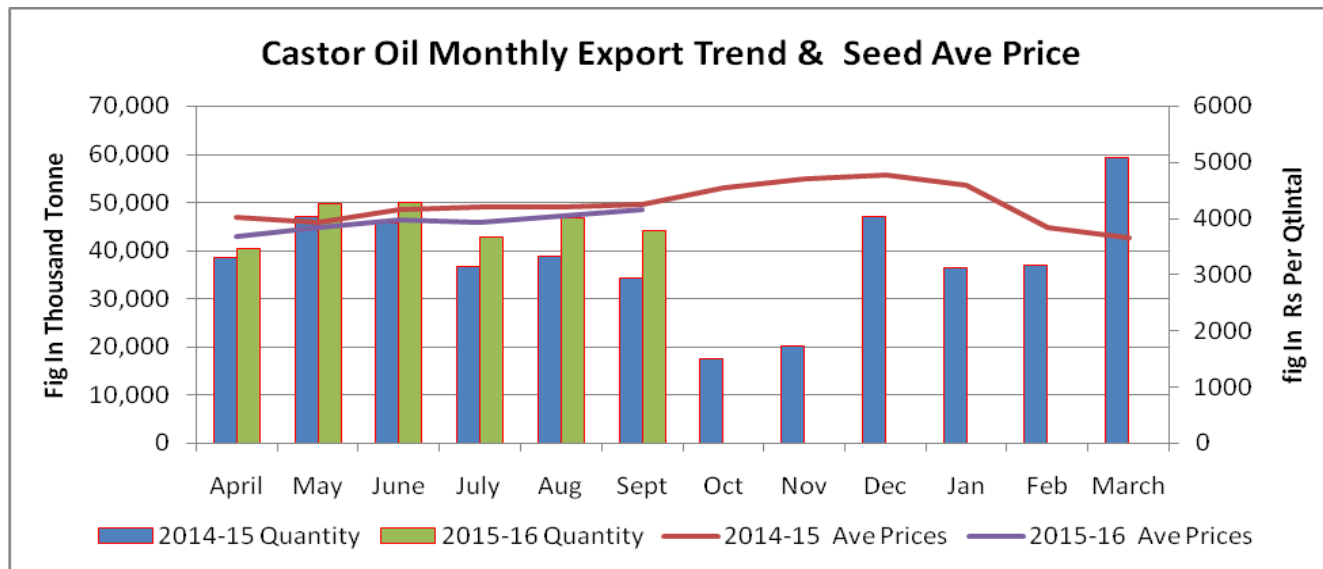
As expected, Castor seed market traded mixed in the first week of Oct-2015. However, it decreased in Sumerpur. Retention of stock and higher demand for oil from overseas market may lend support to the cash market fundamental despite higher area coverage and better condition for plant growth. Other market fundamentals too remain supportive for uptrend in Oct..

#### Castor Seed Arrival Chart:



Arrivals of seed continue to decrease except at Patan. No major improvement is expected in the weeks ahead. Overall arrival pace for seed may decrease in the first week of Oct. as inner tone remains firm in the short term. Farmers and stockists may restrict releasing of stock as prices have started recovering.

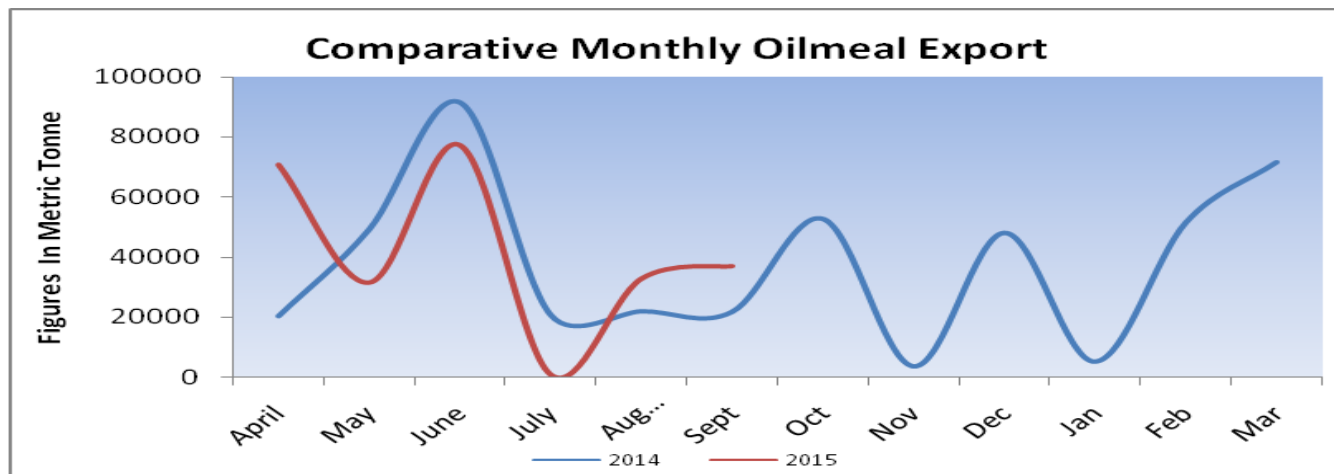
### Castor Oil Export Trend:



Source: IBIS/Agriwatch

The above given bar chart shows that castor oil export volume continued to rise from the beginning of this MY in comparison to 2014-15. However, average prices ruled lower from last year. As prices are ruling lower export volume is expected to improve even in Oct. Last week oil export volume increased by 170 percent and Malaysia emerged as major buyer for castor oil last week, buying more than 8000 tonnes.

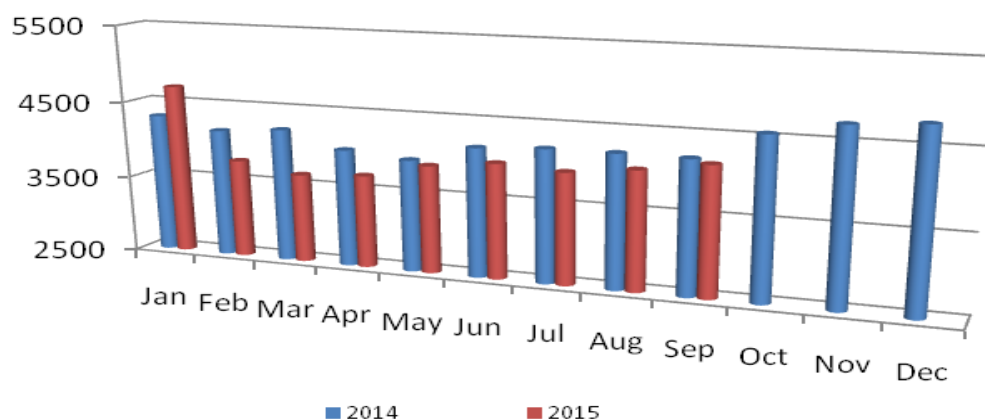
### Castor Meal Export:



Castor meal export volume increased from August to Sept and is likely to follow the previous year trend. . FOB quotes for meal has increased slightly this week from \$112 to \$114 per tonne. France brought 108.9 tonne meal last week at an ave price of \$164.65 per tonne.

### Yearly Average Price Variations At NCDEX Spot :

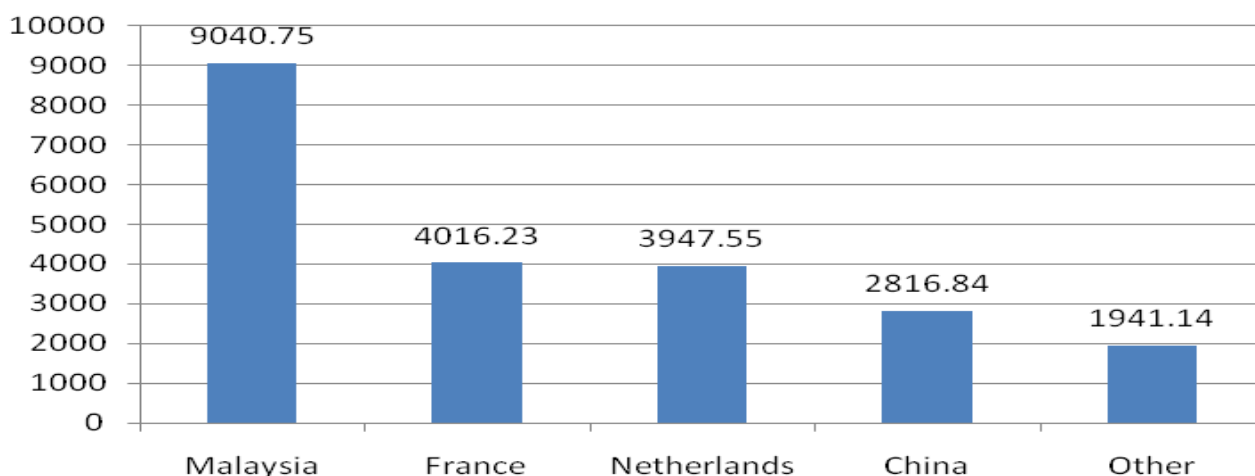
### Average Price Movement At NCDEX Spot(Rs/Qtl.)



Note: First 29 days Sept Average

### Castor Oil Export in week ending 27<sup>th</sup> Sep-2015

#### Castor Oil Weekly Export-21 To 27 Sep-2015(In Tonne)



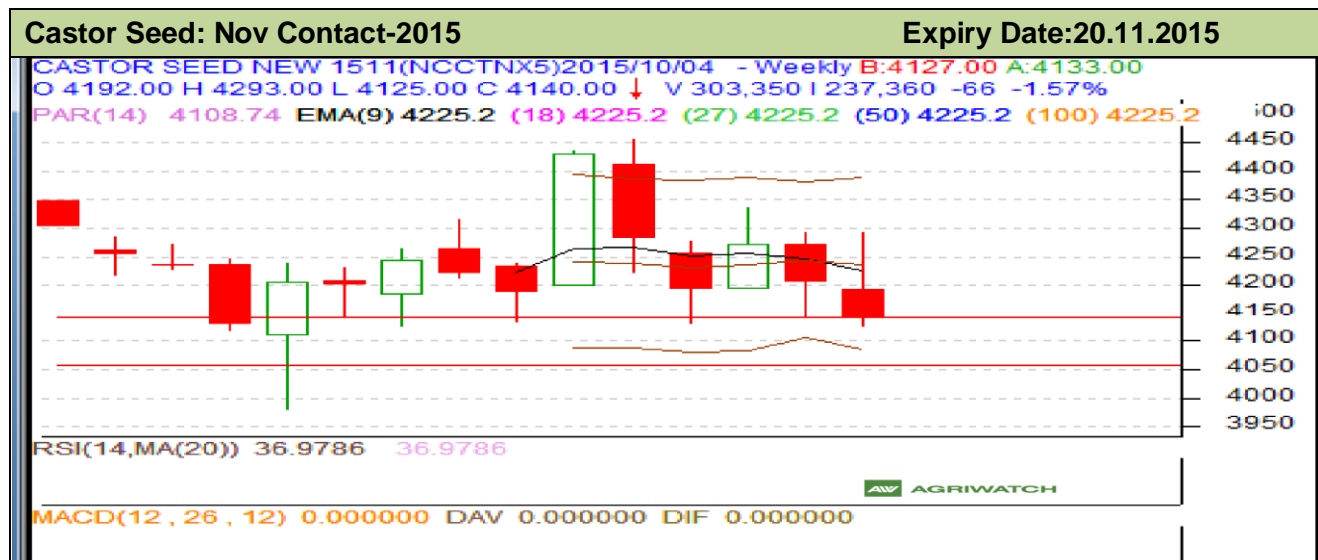
### Cash Market Price Outlook For Deesa Spot

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	3950-3975	3975-4000
Medium Term (30 days)	4000-4050	4050-4100

**Comparative Prices Of Castor Products Including Seed**

	01th Oct '15	24th Sep '15	01th Sep'15	01th Oct '14	CHANG E %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	41000	41000	41000	43150	-5.24
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	109	110	110	112	-2.75
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	7000	7050	7000	6576	6.06
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1265	1265	1250	1453	-14.86
Local rates for oil in domestic market(Rs./M.T.) for comm.	85500	86000	85000	85071	0.50

Source: SEA latest update is not available .

**Technical Analysis:**

**Technical Commentary:**

- Candlestick chart shows weakness in the market.
- RSI moving down in neutral zone hints caution to the bulls.
- Prices closed above 9 and 18 days EMAs denotes firm market.
- Stake holders may go for selling below 4210
- The nearest by support is 4105 and first resistance 4218.

**Strategy: Sell on rise**

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Castor Seed	NCDEX	Nov	4105	3882	4140	4218	4274
Pre-Market Weekly Trade Call*			Call	Entry	T1	T2	SL
Castor Seed	NCDEX	Nov	<b>Sell Below</b>	4210	4140	4110	4221



Progressive Sowing Coverage Till 1<sup>st</sup> Oct,2015:

Progressive Castor Seed Area In Lakh Ha.Till 1 <sup>st</sup> Oct, ,2015			
	2015	2014	% Ch
Andhra Pradesh	0.44	0.45	-2.22
Telangana	0.42	0.65	-35.38
Arunachal Pradesh			#DIV/0!
Assam			#DIV/0!
Bihar	0.01	0	#DIV/0!
Chhattisgarh			#DIV/0!
Gujarat	7.7	7.25	6.21
Haryana	0.03	0.02	50.00
Himachal Pradesh			#DIV/0!
Jammu & Kashmir			#DIV/0!
Jharkhand			#DIV/0!
Karnataka	0.11	0.14	-21.43
Kerala			#DIV/0!
Madhya Pradesh			#DIV/0!
Maharashtra	0.14	0.17	-17.65
Odisha	0.07	0.07	0.00
Punjab			#DIV/0!
Rajasthan	2	1.55	29.03
Tamil Nadu	0.04	0.04	0.00
Uttar Pradesh			#DIV/0!
Uttarakhand			#DIV/0!
West Bengal			#DIV/0!
Others			#DIV/0!
Total – All India	10.96	10.34	6.00

Source:DES

### Cash Markets Price Movement:

Castor Seed Weekly Prices at Key Spot Markets:

Commodity	Market	Price (Rs/ Quintal)		Change
Center		03th to 08th Oct. 15	25th to 01st Oct. 15	
Rajasthan	Sumerpur	3850	3867	-17
	Jodhpur	4010	NA	-
Gujarat	Ahmedabad	3915	653	3262
	Halvad	3920	3913	7
	Rajkot	3886	3891	-5
	Gondal	3892	3910	-18
	Patan	3959	3988	-29
	Harij	3975	3988	-13
	Mehsana	3992	3997	-5



12<sup>th</sup> Oct, 2015

	Kadi	4006	3987	19
	Deesa	3974	3967	7
	Bhabar	3976	3982	-6
	Sabarkatha	4005	3963	42
	Gandhi Nagar	3980	3992	-12
	Junagadh	3862	3933	-71
	Dhrol	3621	3718	-97

### Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		8-Oct-15	1-Oct-15	8-Sep-15	8-Oct-14
Rajasthan	Sumerpur	3850	3850	3950	3925
	Jodhpur	4000	NA	4100	3900
Gujarat	Ahmedabad	NA	3915	NA	4050
	Halvad	3925	3925	Closed	NA
	Rajkot	3880	3880	3970	3925
	Gondal	3805	3905	4055	4055
	Patan	3950	3975	Closed	4225
	Harij	3960	3980	4065	NA
	Mehsana	3975	4000	4090	4125
	Kadi	4000	3985	4100	4130
	Deesa	3950	3975	4050	NA
	Bhabar	3960	3980	4045	NA
	Sabarkatha	4000	3975	4100	NA
	Gandhi Nagar	3950	4025	4100	NA
	Junagadh	NA	3900	3965	3750
	Dhrol	NA	NA	NA	NA

### Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	Weekly Arrivals (Quintal)		Change
		03th to 08th Oct. 15	25th to 01st Oct. 15	
Rajasthan	Sumerpur	360	480	-120
	Jodhpur	264	NA	-
Gujarat	Halvad	638	863	-225
	Rajkot	1030	2070	-1040
	Gondal	732	1165	-433



	Patan	13500	26250	-12750
	Harij	3600	4275	-675
	Mehsana	5760	3520	2240
	Kadi	9280	8480	800
	Deesa	3680	1840	1840
	Bhabar	4050	3825	225
	Sabarkatha	1050	675	375
	Gandhi Nagar	4875	3750	1125
	Junagadh	202	440	-238
	Dhrol	5	3	2
	Other Gujarat	24402	30	24372
<b>Total Arrivals/Above Markets</b>		<b>73428</b>	<b>57665</b>	<b>15763</b>

### Outlook & Recommendation:

*Castor seed market is expected to stay steady to slightly weak in the weeks ahead on the back of higher area coverage and subdued demand. Stake holders should wait till market gets stabilized.*

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