

Castor Domestic Market Fundamentals: -

Castor seed physical and futures markets continued to reel under pressure taking clue from higher area coverage. Lower demand from plants and better conditions for plant growth during the week under review. Lower export demand for oil, subdued demand for adhesive and soap - paint industries weighed on market fundamentals. Downward pressure is likely to continue as expected last week. All India area coverage has crossed 11 lakh ha till 08th Oct-2015. Sowing is now almost over. Main growing States like Gujarat & Rajasthan have covered 6.40 and 32.89 % higher area this year than last year.

Castor Oil FoB quote decreased slightly from \$1265 to \$1260 per Tonne at Kandla port. FoB quote may stay steady in the fourth week of this month as seed prices are moving range bound. Castor oil commercial grade is being traded at 85000 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 18th Oct was registered lower by 18.82% to 9978.77 tonne at an Average FoB price of \$1318.25 per T. India had exported 12291.7 tonne oil during the week ending 11th Oct-2015. Price realization too has decreased by 2.37 percent last week. As prices of seed are expected to decrease, FoB quotes are bound to go down this week too.

Progressive Area Coverage: -

Area coverage during kharif 2015 till 8th Oct-2015 was reported at 11.02 lakh ha, 8.12 % higher in comparison to 10.19 lakh ha during same period last year. Major producing states like Gujarat and Rajasthan have covered 6.40 and 32.89 percent higher area this year. Sowing is almost complete now.

Agriculture statistics Division, DES has released its 1st 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 1st 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.

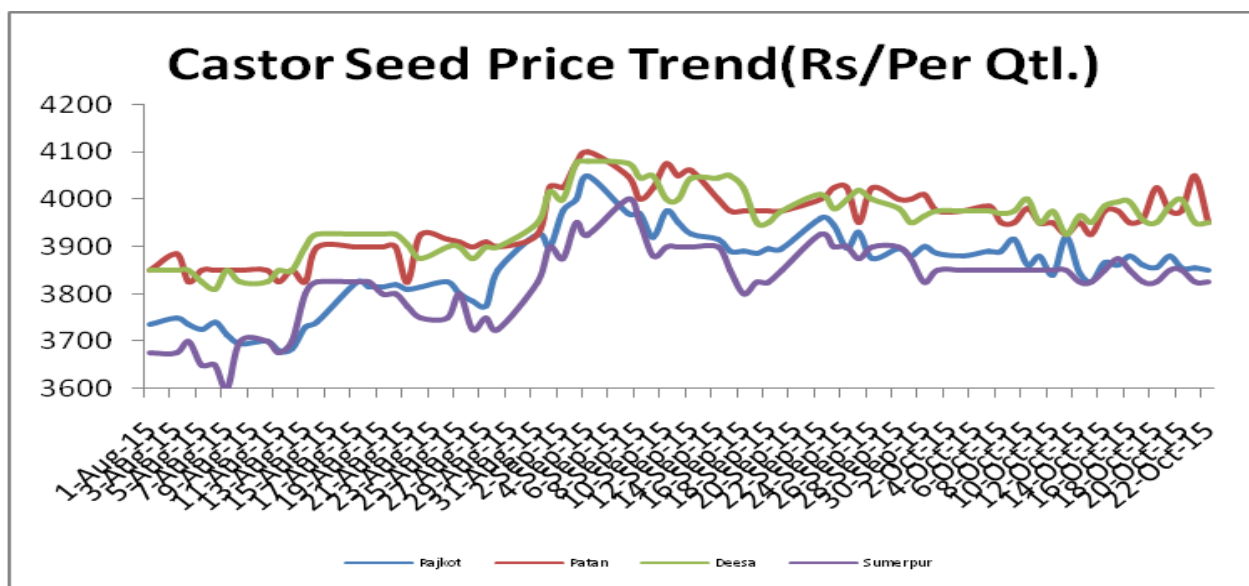
Castor seed meal export from Kandla port is being shipped out at an average price of \$164.1 per tonne. India exported 3731.26 tonne meal during the week ended 18th Oct-2015. It is 48 percent higher than previous week export. Average meal price stayed steady at \$114 per tonne for the whole year. Meal market is expected to move up in the end of Oct as seed prices are expected to move up next month.

Oil buyers like EU, US, China and Malaysia may enter into the market once again to cover their short position in Nov-2015 and it may support cash market up. Market may trade weak in the short term.

Outlook & Recommendation: -

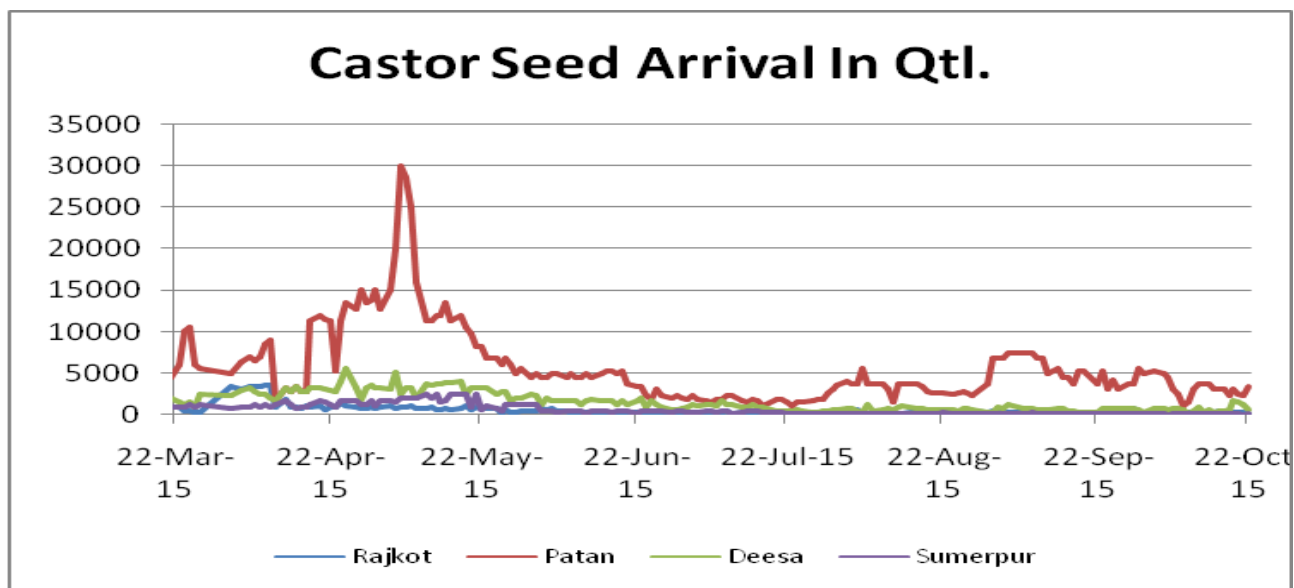
Overall market sentiment remains weak in the short term. However, stake holders should wait for stabilization in the market. As new crop is five –six month away from now, stockists may try to drag market in their own favour in the third quarter. Seed stock is considered to be lower by 20 to 25 percent 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 medium term.

Stake holders may go for buying around 4050 for the target of 4100 in Nov contract.



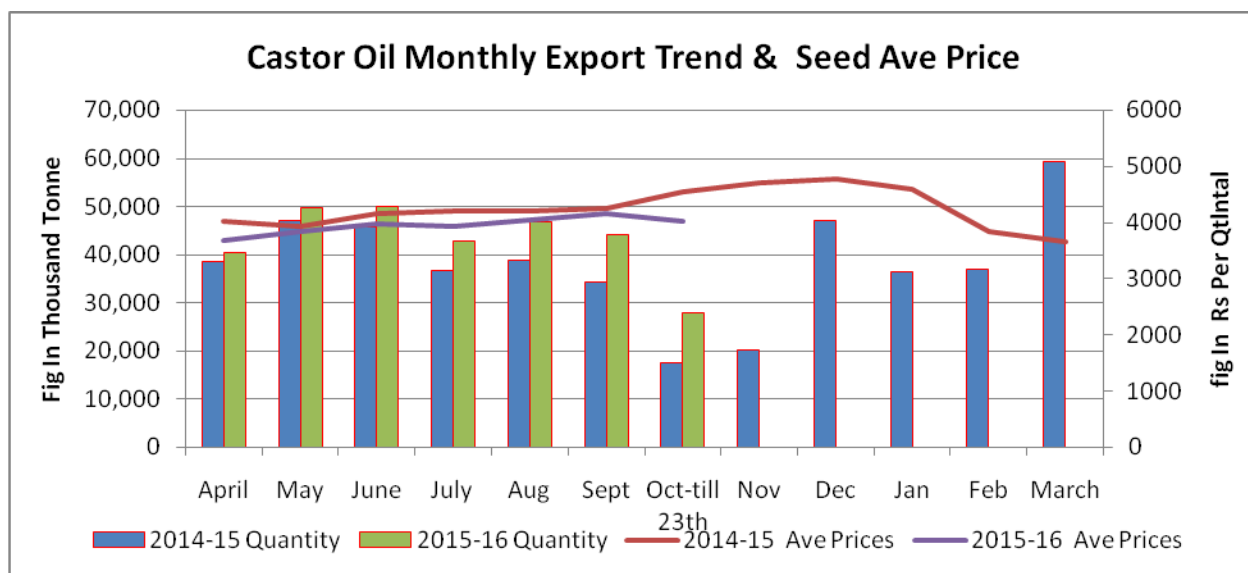
As expected, Castor seed market traded down in the third week of Oct-2015. However, it stayed steady in Rajkot and Sumerpur. Higher arrivals and lower demand for oil from overseas market may pressurize cash markets to some extent this week too. Higher area coverage and better condition for plant growth have weakened inner tone.

Castor Seed Arrival Chart:



Arrivals of seed increased in major market of Patan in Gujarat. No major improvement is expected in the weeks ahead. However, it declined in Sumerpur and Deesa. Overall arrival pace for seed may decrease in the fourth week of Oct. as inner tone remains weak in the short term. Farmers and stockists may wait for recovery in price.

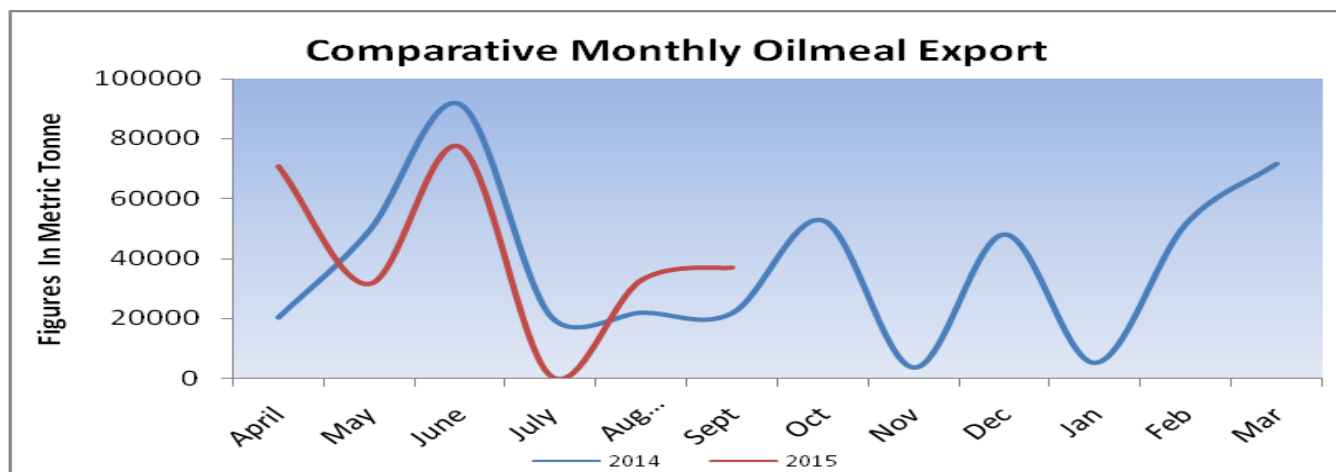
Castor Oil Export Trend:



Source: IBIS/Agriwatch Note: Oct. 2015 data is till 15th.

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 also in 2nd fortnight of Oct. Last week oil export volume increased by 112 percent and Malaysia-China emerged as major buyers for castor oil last week, buying more than 12000 tonnes out of 18075 tonne.

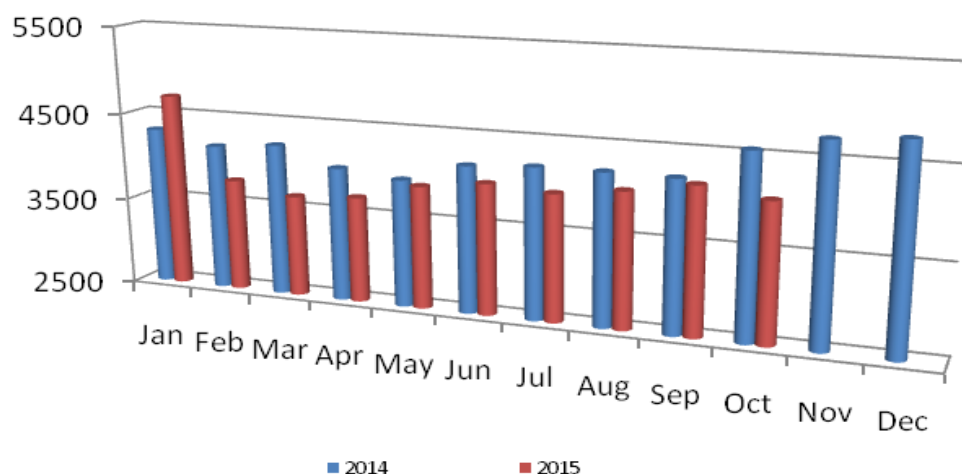
Castor Meal Export:



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 bought 108.9 tonne meal last week at an ave price of \$164.65 per tonne.

Yearly Average Price Variations At NCDEX Spot :

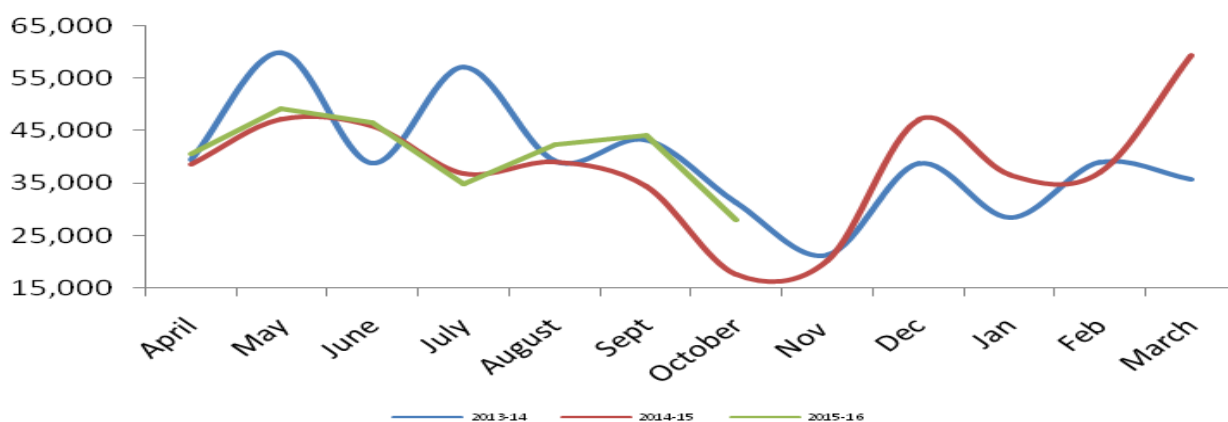
Average Price Movement At NCDEX Spot(Rs/Qtl.)



Note: First 15 days Average Price: Oct-2015

Castor Oil Export in week ending 18th Oct-2015

Castor Oil Export (In '000' Metric Tonne)



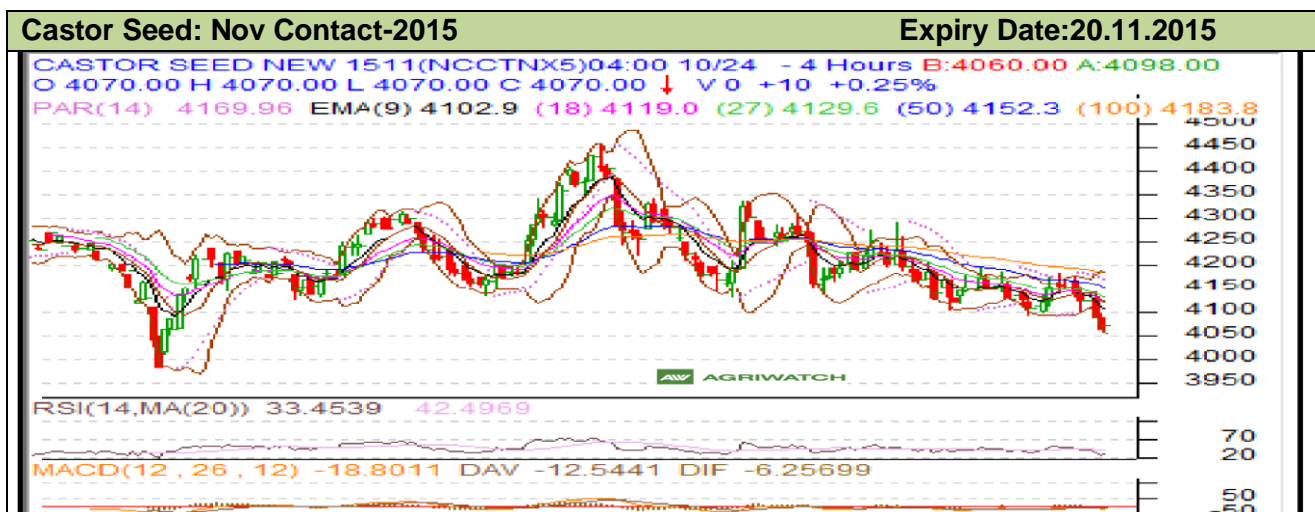
Cash Market Price Outlook For Deesa Spot

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					
	23th Oct '15	16th Oct '15	23th Sep'15	23th Oct '14	23th Oct '15
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	40750	40750	41000	40000	1.84
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	103	107	110	112	-8.74
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	6450	6700	7050	6576	-1.95
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1265	1265	1265	1453	-14.86
Local rates for oil in domestic market(Rs./M.T.) for comm.	84000	84000	86000	85071	-1.28

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 buying above 4100
- The nearest by support is 4040 and first resistance 4103.

Strategy:Buy on dip

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Castor Seed	NCDEX	Nov	3980	4040	4075	4103	4274
Pre-Market Weekly Trade Call*			Call	Entry	T1	T2	SL
Castor Seed	NCDEX	Nov	Buy above	4050	4090	4101	4039

Progressive Sowing Coverage Till 8th Oct,2015:

Progressive Castor Seed Area In Lakh Ha.Till 8th Oct, ,2015			
	2015	2014	% Ch
Andhra Pradesh	0.48	0.45	6.67
Telangana	0.4	0.5	-20.00
Arunachal Pradesh			
Assam			
Bihar	0.01	0	
Chhattisgarh			
Gujarat	7.81	7.34	6.40
Haryana	0.02	0.01	100.00
Himachal Pradesh			
Jammu & Kashmir			
Jharkhand			
Karnataka	0.1	0.12	-16.67
Kerala			
Madhya Pradesh			
Maharashtra	0.12	0.17	-29.41
Odisha	0.07	0.07	0.00
Punjab			
Rajasthan	1.98	1.49	32.89
Tamil Nadu	0.03	0.04	-25.00
Uttar Pradesh			
Uttarakhand			
West Bengal			
Others			
Total – All India	11.02	10.19	8.15

Source:DES

Cash Markets Price Movement:

Castor Seed Weekly Prices at Key Spot Markets:

Commodity	Market	Price (Rs/ Quintal)		Change
		16th to 21th Oct. 15	09th to 15th Oct. 15	
Rajasthan	Sumerpur	3840	3845	-5
	Jodhpur	4038	4020	18
Gujarat	Ahmedabad	3875	NA	-
	Halvad	3870	3900	-30
	Rajkot	3828	3859	-31
	Gondal	3868	3872	-4
	Patan	3977	3950	27
	Harij	3978	3968	10
	Mehsana	3996	3976	20

	Kadi	3988	3993	-5
	Deesa	3973	3966	7
	Bhabar	3977	3968	9
	Sabarkatha	3990	3967	23
	Gandhi Nagar	3975	3971	4
	Junagadh	3856	3820	36
	Dhrol	3693	3675	18

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		21-Oct-15	15-Oct-15	21-Sep-15	21-Oct-14
Rajasthan	Sumerpur	3850	3875	3925	4050
	Jodhpur	4030	4050	4100	3900
Gujarat	Ahmedabad	NA	NA	NA	4200
	Halvad	3900	3950	NA	NA
	Rajkot	3825	3860	3895	3800
	Gondal	3855	3930	3880	4005
	Patan	3975	3975	4000	4355
	Harij	3990	3990	4025	NA
	Mehsana	4025	4000	4025	4150
	Kadi	3995	4005	Closed	4055
	Deesa	NR	3995	4025	NA
	Bhabar	3990	3985	4035	NA
	Sabarkatha	4025	4000	4025	NA
	Gandhi Nagar	3990	4000	4010	NA
	Junagadh	3810	3870	NA	NA
	Dhrol	NA	NA	NA	NA

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	Weekly Arrivals (Quintal)		Change
		16th to 21th Oct. 15	09th to 15th Oct. 15	
Rajasthan	Sumerpur	400	480	-80
	Jodhpur	552	488	64
Gujarat	Halvad	544	863	-319
	Rajkot	1640	1710	-70
	Gondal	1247	2126	-879
	Patan	13676	18750	-5074

	Harij	2550	3750	-1200
	Mehsana	3440	5680	-2240
	Kadi	8328	9840	-1512
	Deesa	3105	2608	497
	Bhabar	3713	4403	-690
	Sabarkatha	900	1275	-375
	Gandhi Nagar	3563	4350	-787
	Junagadh	540	210	330
	Dhrol	25	18	7
	Other Gujarat	27279	NA	-
Total Arrivals/Above Markets		71502	56551	14951

Outlook & Recommendation:

Castor seed market is expected to stay steady to slightly weak in the weeks ahead led by higher area coverage and subdued demand. Stake holders should wait till market stabilizes. Market is expected to start consolidating after Diwali.

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