

### Castor Domestic Market Fundamentals: -

Castor seed physical and futures markets posted smart gains last week on bulls' active participation in futures market during the week under review. Uptrend may continue and November contract may test 4324 level despite ample retained stock and around 60,000 ha. higher area coverage from last year. However, Lower export demand for oil, subdued demand for adhesive and soap - paint industries may restrict one way bull run. All India area coverage has crossed 11 lakh ha till 08<sup>th</sup> Oct-2015. Sowing is now almost over. Main growing States like Gujarat & Rajasthan have covered 6.40 and 32.89 % higher area this year.

Castor Oil FoB quote stayed steady at \$1265 per Tonne at Kandla port. FoB quote may increase by \$10 to 15 per tonne this week as seed price increased 2 to 3 percent in last four days. Castor oil commercial grade is being traded at 85000 per tonne in domestic market. It may move up too as seed procurement has increased considerably last week.

Castor oil export during week ending 25<sup>th</sup> Oct was registered lower by 51.76 % to 4313.73 tonne at an Average FoB price of \$1377.19 per T. India had exported 9978.77 tonne oil during the week ending 18<sup>th</sup> Oct-2015. Price realization too has increased by 4.28 percent last week. As prices of seed are expected to increase, FoB quotes are bound to trade firm in November..

### Progressive Area Coverage: -

Area coverage during kharif 2015 till 8<sup>th</sup> 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 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 comment about the final size as sowing is just over.

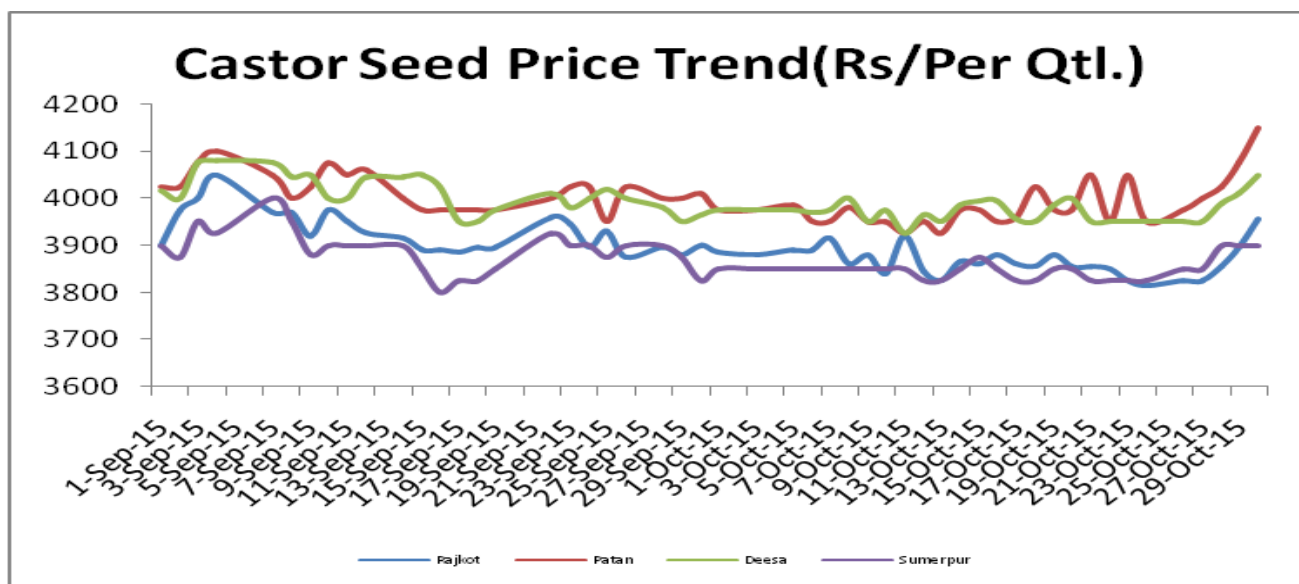
Castor seed meal export from Kandla port is being shipped out at an average price of \$136.69 per tonne. India exported 1230.49 tonne meal during the week ended 25<sup>th</sup> Oct-2015. It is 67.02 percent lower than previous week export. Yearly average meal price stayed steady at \$114 per tonne. Meal market is expected to move up in Nov as seed prices are hovering at higher level.

Oil buyers like EU, US, China and Malaysia are expected to buy and cover their short position in Nov-2015 too and it may continue to support cash market. However, one downward correction is expected in the market. Market participant should wait for correction and enter the market in the second week of November.

### Outlook & Recommendation: -

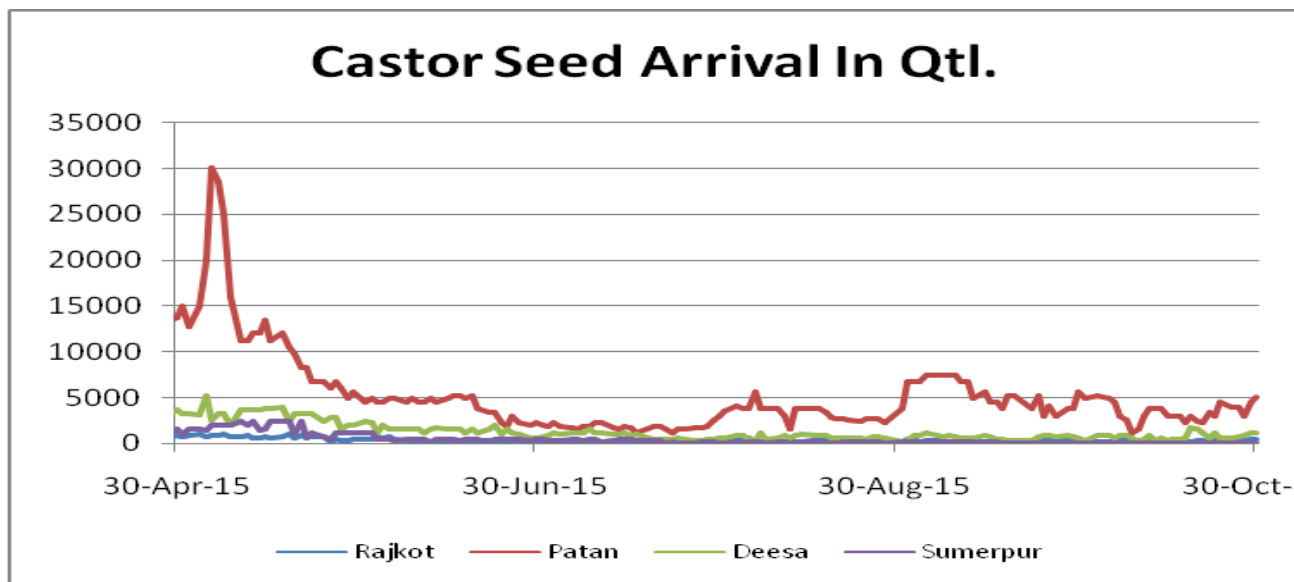
Overall market sentiment remains firm in the short term. As new crop is five –six month away from now, stockists may try to drag market in their own favour in the third quarter. Seed stock is considered to be lower by 20 to 25 percent in comparison to last year. Major portion of stock is in strong hands.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

Stake holders may go for buying around 4256 for the target of 4325 in Nov contract.



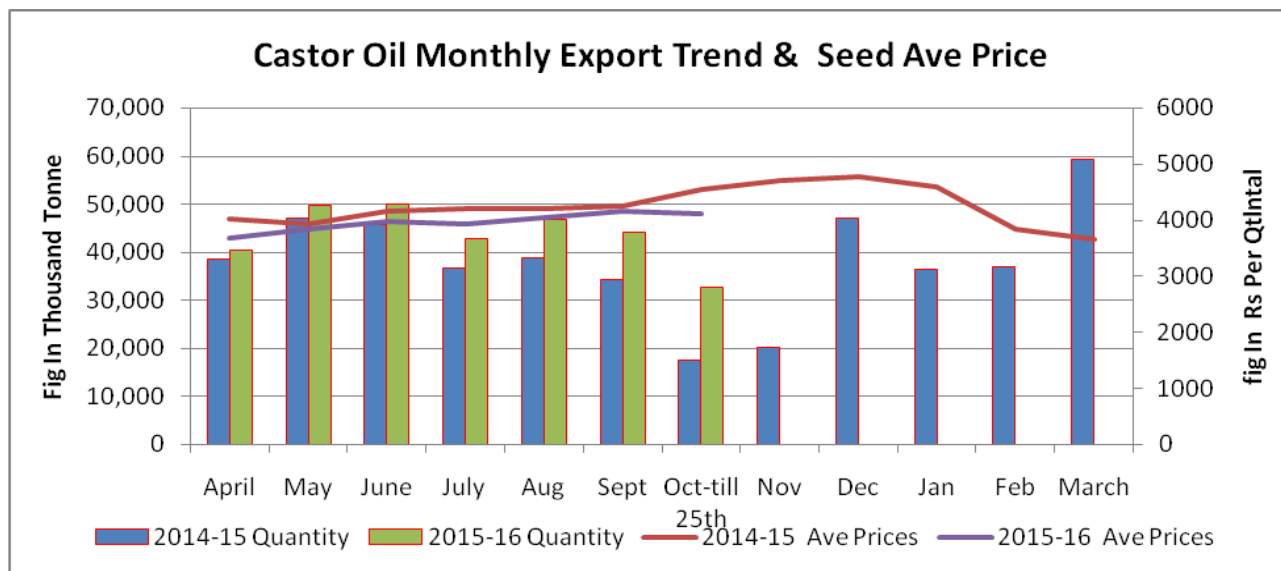
As expected in the last weekly, Castor seed market traded firm in the fourth week of Oct-2015. Firmness was seen in all major benchmark markets. Uptrend is likely to continue as bull operators are active. Majority of stock is in strong hands and they intend to retain it till December. However, higher area coverage and lower demand for oil from overseas market may restrict bull-run. Production prospect is good and stock is ample. Recent rains have ensured better growth for the standing crop.

#### Castor Seed Arrival Chart:



Arrivals of seed increased in major market of Patan in Gujarat. Higher pace of arrival was also seen in Sumerpur. As prices are ruling higher, some improvement in arrival is expected in November from farmers and small traders. Besides, farmers need money for Rabi crop sowing; they would continue to release seed stock at regular intervals. Market participants say that arrival pace would increase in comparison to last week.

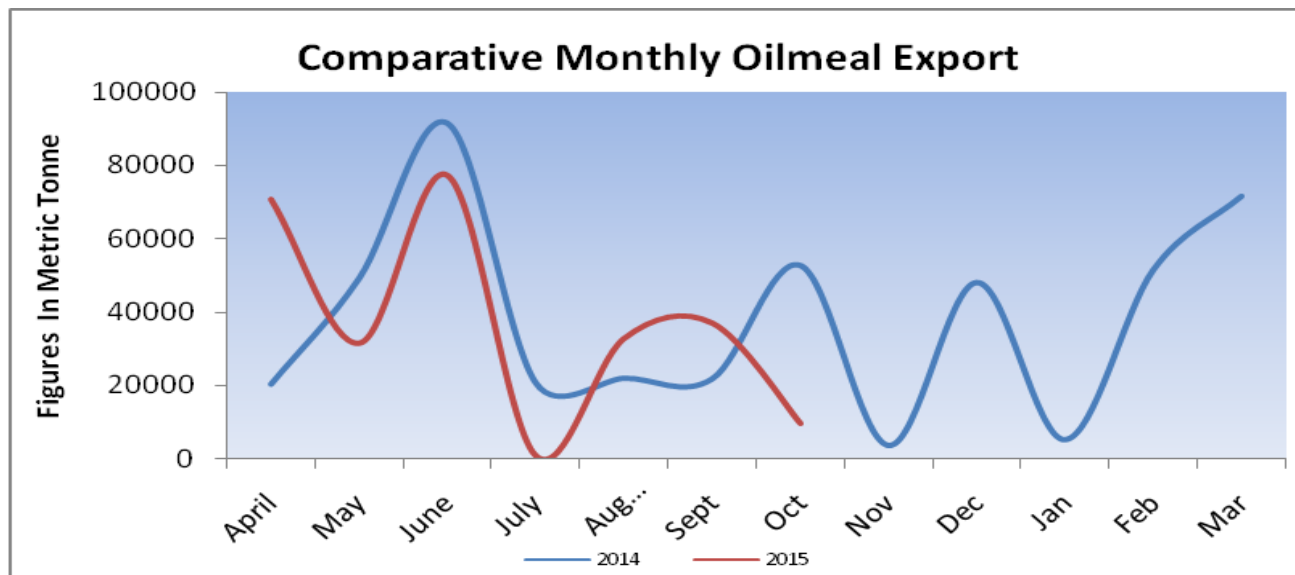
### Castor Oil Export Trend:



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

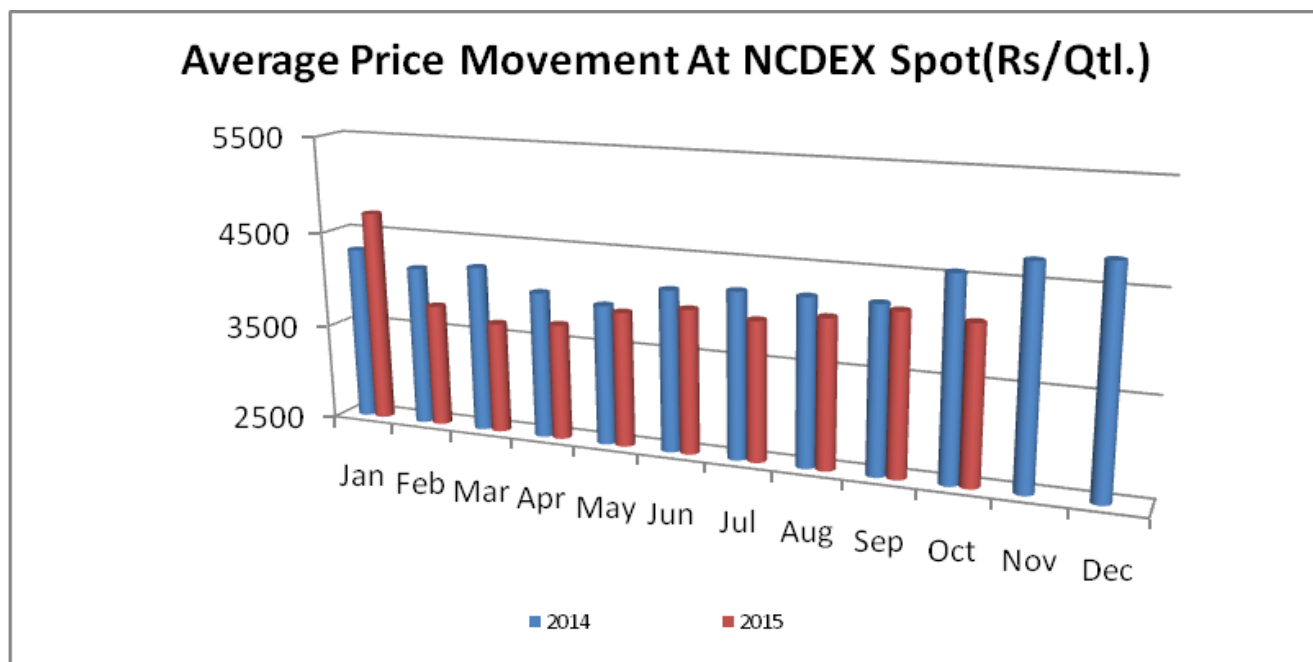
The above given bar chart shows that castor oil export volume continued to rise from the beginning of this MY in comparison to 2014-15. However, average prices ruled lower from last year. As prices are ruling higher now, export volume is expected to decrease week on week basis in 2<sup>nd</sup> fortnight of Oct. Oil export volume decreased by 51.76 percent last week. Malaysia-China emerged as major buyers for castor oil last week, buying more than 3000 tonnes out of 4813.76 tonne.

### Castor Meal Export:



Castor meal export volume decreased by 81.74 percent in Oct in comparison to Sept and is likely to decrease in the weeks ahead. . FOB quotes for meal has increased slightly this week from \$112 to \$114 per tonne. France bought 208.9 tonne meal last week at an ave price of \$164.65 per tonne.

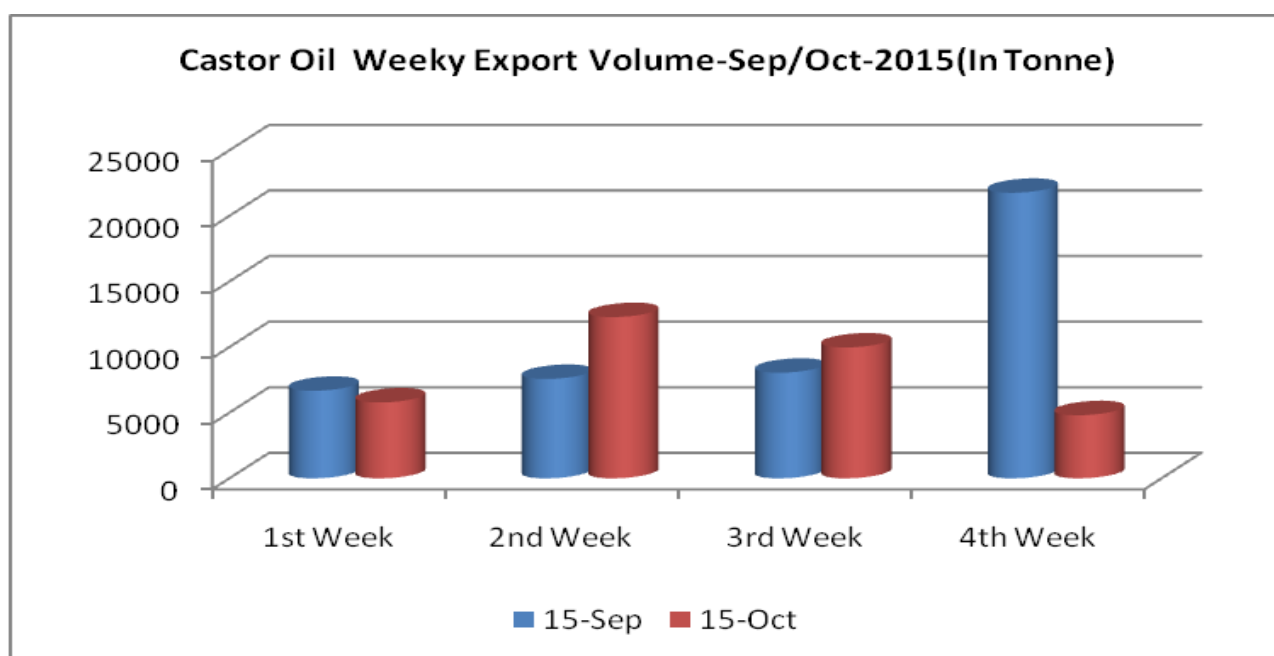
### Yearly Average Price Variations At NCDEX Spot :



Note: First 30 days Average Price: Oct-2015

Despite uptrend castor seed prices are ruling 1.18 percent lower than the price of Oct.2014. Trend shows upward momentum to continue. However, it would be difficult to cross 2014 level.

### Castor Oil Weekly Export Volume Sep/ Oct-2015



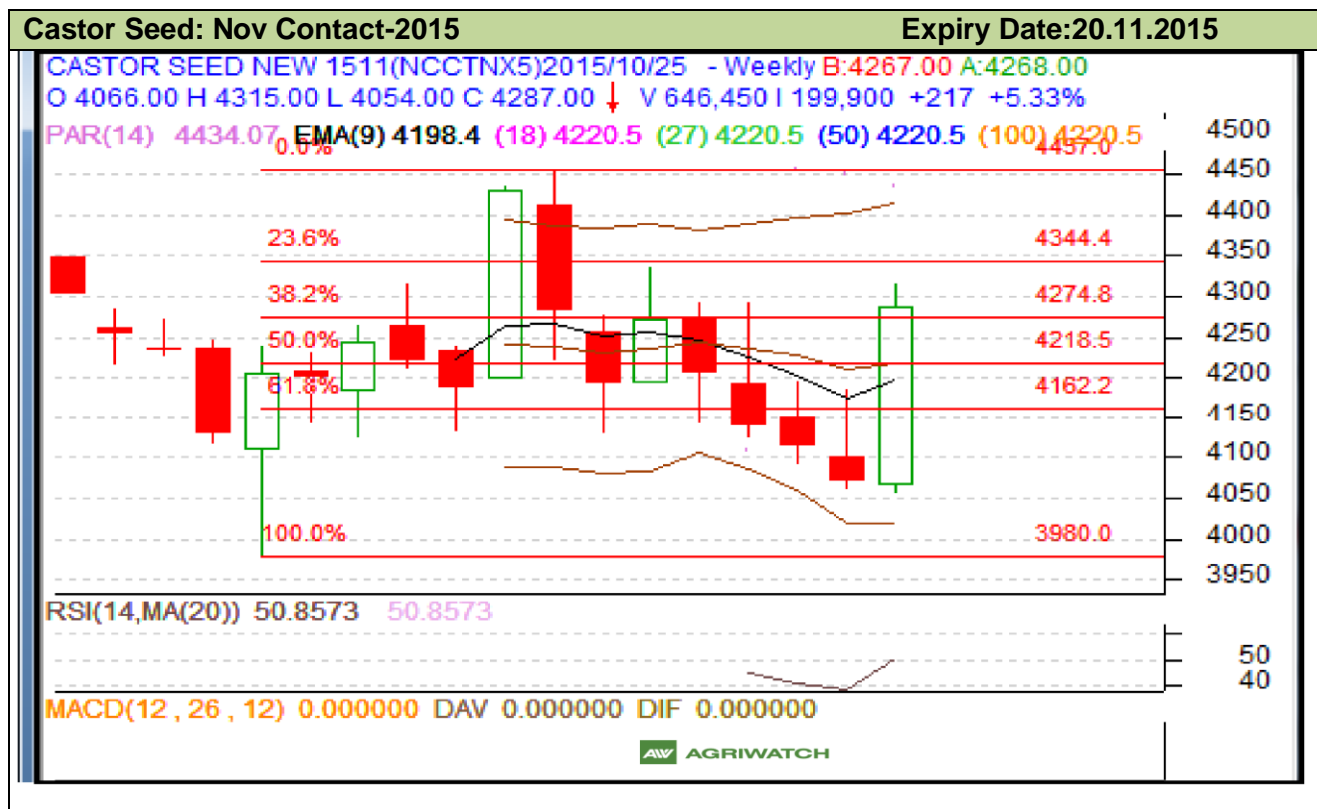
### Cash Market Price Outlook For Deesa Spot

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	3975-4000	4000-4050
Medium Term (30 days)	4050-4075	4075-4100

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 firmness in the market.
- RSI moving up in neutral zone hints caution to the bears.
- Prices closed above 9 and 18 days EMAs denotes firm market.
- Stake holders may go for buying above 4272
- The nearest by support is 4218 and first resistance 4344.

**Strategy: Buy on dip**

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Castor Seed	NCDEX	Nov	4218	4162	4287	4344	4497
Pre-Market Weekly Trade Call*			Call	Entry	T1	T2	SL
Castor Seed	NCDEX	Nov	Buy above	4272	4320	4340	4256

**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 :**
**Castor Seed Weekly Prices at Key Spot Markets:**

Commodity	Market	Price (Rs/ Quintal)		Change
		23th to 29th Oct. 15	16th to 21th Oct. 15	
Rajasthan	Sumerpur	3858	3840	18
	Jodhpur	4042	4038	4
Gujarat	Ahmedabad	3830	3875	-45
	Halvad	3883	3870	13
	Rajkot	3840	3828	12
	Gondal	3879	3868	11
	Patan	4013	3977	36
	Harij	3993	3978	15
	Mehsana	3995	3996	-1
	Kadi	4012	3988	24
	Deesa	3970	3973	-3
	Bhabar	3986	3977	9
	Sabarkatha	4015	3990	25
	Gandhi Nagar	3995	3975	20
	Junagadh	3859	3856	3
	Dhrol	NA	3693	-

Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
		29-Oct-15	21-Oct-15	29-Sep-15	29-Oct-14
Rajasthan	Sumerpur	3900	3850	3850	4200
	Jodhpur	NR	4030	4050	4200
Gujarat	Ahmedabad	NA	NA	NA	4500
	Halvad	3950	3900	3875	NA
	Rajkot	3895	3825	3915	4080
	Gondal	3955	3855	3955	4180
	Patan	4075	3975	4000	4625
	Harij	4050	3990	4000	NA
	Mehsana	4050	4025	4000	4500
	Kadi	4050	3995	4010	4455
	Deesa	4010	NR	Closed	4605
	Bhabar	4025	3990	4000	NA
	Sabarkatha	4075	4025	4025	NA
	Gandhi Nagar	4050	3990	4020	NA
	Junagadh	3930	3810	NA	4110

	Dhrol	NA	NA	NA	NA
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**Castor Seed Cumulative Arrivals in Key Centers:**

Center	Market	Weekly Arrivals (Quintal)		Change
		23th to 29th Oct. 15	16th to 21th Oct. 15	
<b>Rajasthan</b>	Sumerpur	64	400	<b>-336</b>
	Jodhpur	84	552	<b>-468</b>
<b>Gujarat</b>	Halvad	768	544	<b>224</b>
	Rajkot	1825	1640	<b>185</b>
	Gondal	1493	1247	<b>246</b>
	Patan	17250	13676	<b>3574</b>
	Harij	2550	2550	<b>Unch</b>
	Mehsana	4080	3440	<b>640</b>
	Kadi	10508	8328	<b>2180</b>
	Deesa	4400	3105	<b>1295</b>
	Bhabar	5063	3713	<b>1350</b>
	Sabarkatha	1613	900	<b>713</b>
	Gandhi Nagar	3488	3563	<b>-75</b>
	Junagadh	547	540	<b>7</b>
	Dhrol	NA	25	<b>-</b>
	Other Gujarat	12	27279	<b>-27267</b>
<b>Total Arrivals/Above Markets</b>		<b>53745</b>	<b>71502</b>	<b>-17757</b>

**Outlook & Recommendation:**

Castor seed market is expected to trade firm in the weeks ahead led by bull operators' active buying strategy in futures and retention of stock. Stake holders should wait till market gets adjusted with current spike. Firmness would continue.

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