

### **Castor Domestic Market Fundamentals: -**

Castor seed cash/ futures markets continued to move up during last week on bulls' active participation in futures market. Uptrend may continue and November contract may test 4375 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. One correction is expected now. 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 increased to \$1300 per Tonne at Kandla port. FoB quote may increase by \$10 to 15 per tonne this week as seed price has increased 4 percent in last one week. Castor oil commercial grade is being traded at 86000 per tonne in domestic market. It may move up too as seed offtake by plants has increased considerably last week.

Castor oil export during week ending 1st Nov was registered higher by 163.33 % to 12675.93 tonne at an Average FoB price of \$1365.77 per T. India had exported 4813.73 tonne oil during the week ending 25th Oct-2015. However, price realization has decreased by 0.84 percent last week. As prices of seed are expected to increase, FoB quotes are bound to trade firm.

### **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 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.

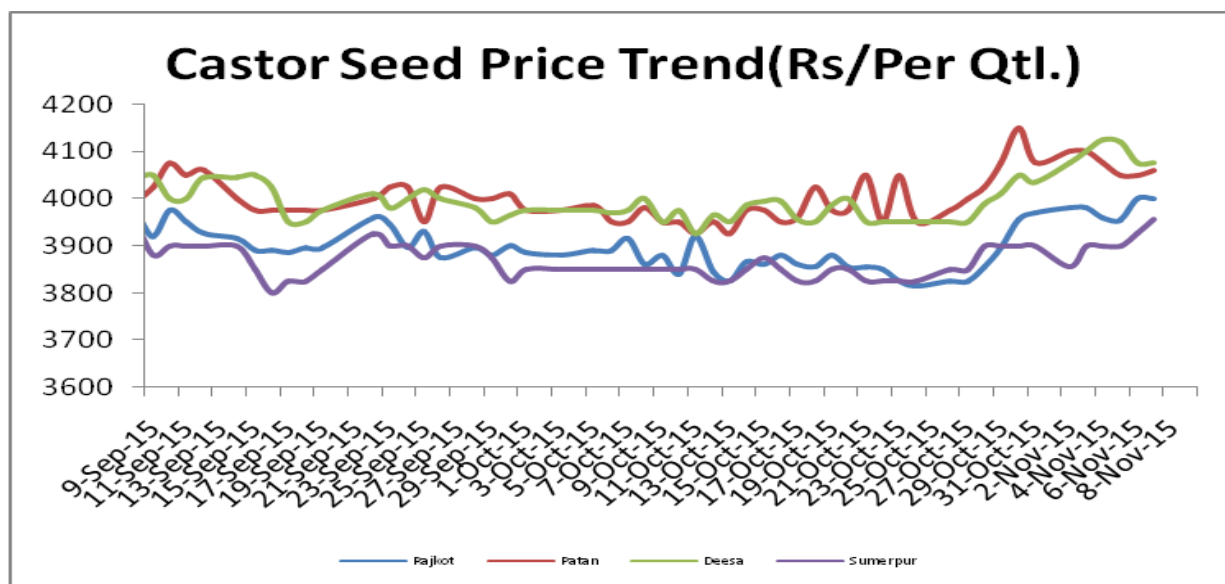
Castor seed meal export from Kandla port is being shipped out at an average price of \$158.71 per tonne. India exported 13336.74 tonne meal during the week ended 1<sup>st</sup> Nov-2015. It is 67.02 percent lower than previous week export. Yearly average meal price stayed steady at \$115 per tonne. Meal market is expected to move up in Nov as seed prices are hovering at higher level.

Taiwan, France, Malaysia and Japan were active in buying meal last week. 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: -**

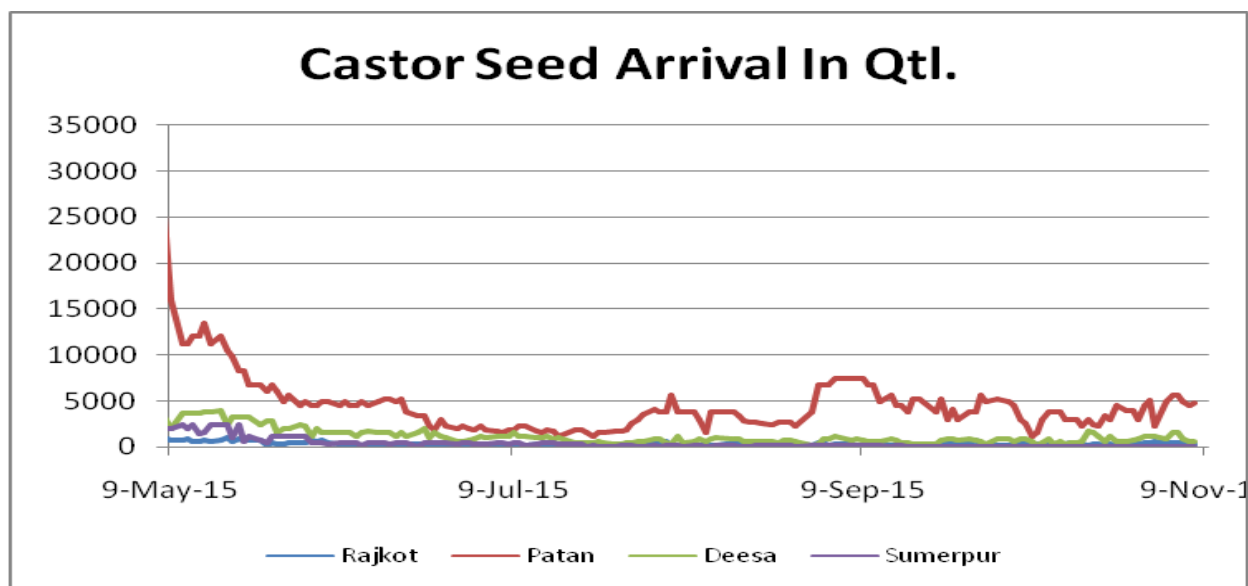
Overall market sentiment remains firm in the short term. As new crop is five –six month away from now, stockists may try to drag market in their own favour in the third quarter. Seed stock is considered to be lower by 20 to 25 percent in comparison to last year. Major portion of stock is in strong hands.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

Stake holders may go for buying around 4350 for the target of 4450 in Dec contract.



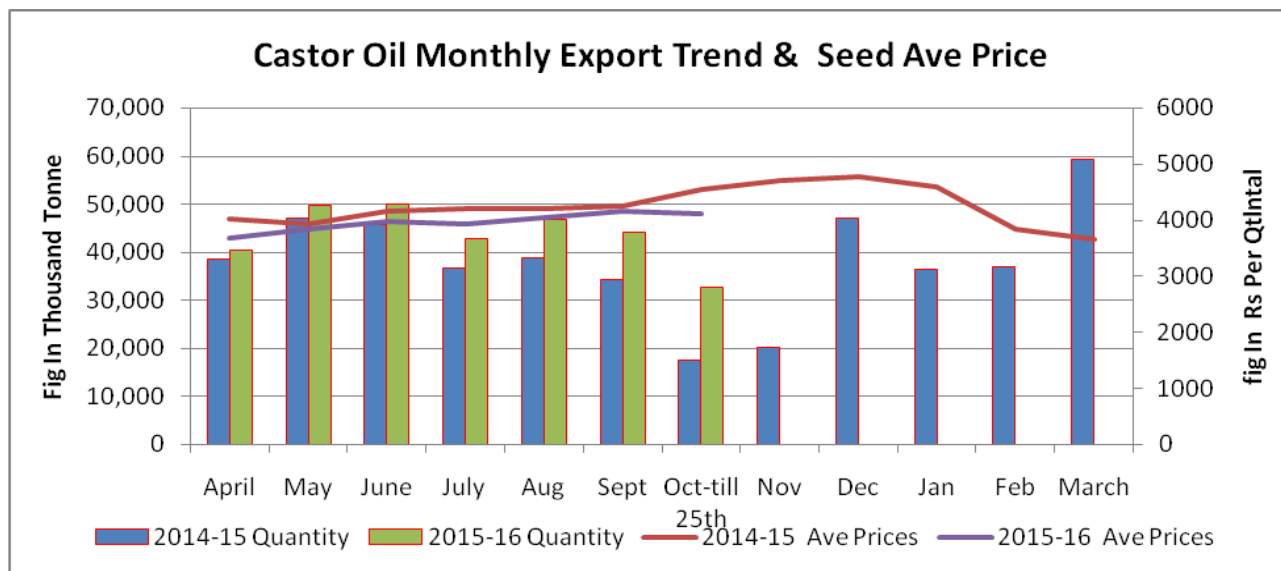
As expected in the last weekly, Castor seed market traded firm in the first week of Nov-2015. Firmness was seen in all major benchmark markets. Uptrend is likely to continue as bull operators are active. Majority of stock is in strong hands and they intend to retain it till December. However, higher 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 at higher level.

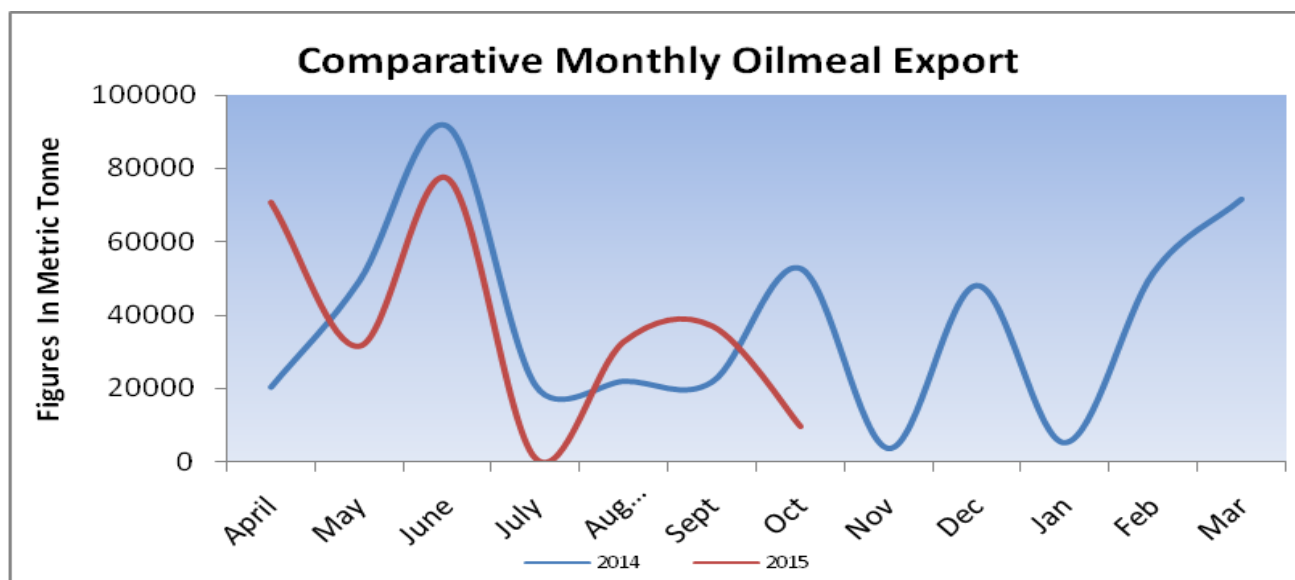
### Castor Oil Export Trend:



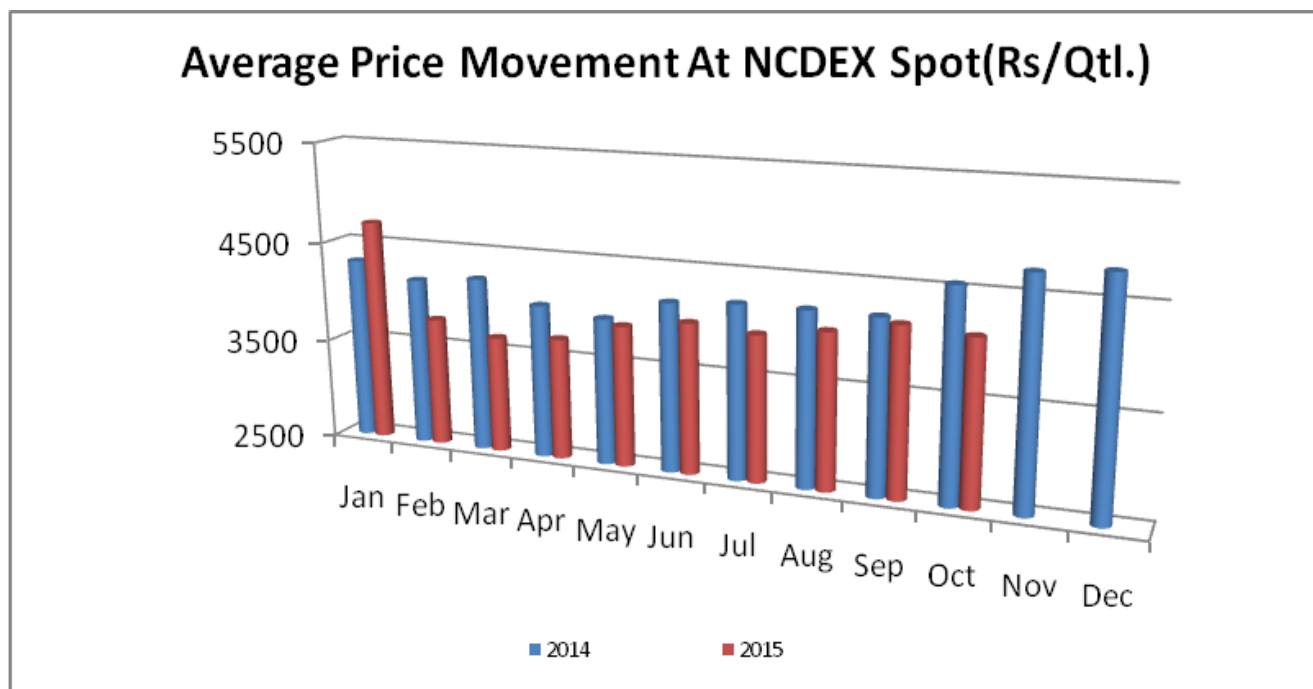
Source: IBIS/Agriwatch Note: Oct. 2015 data is till 15<sup>th</sup>.

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 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:

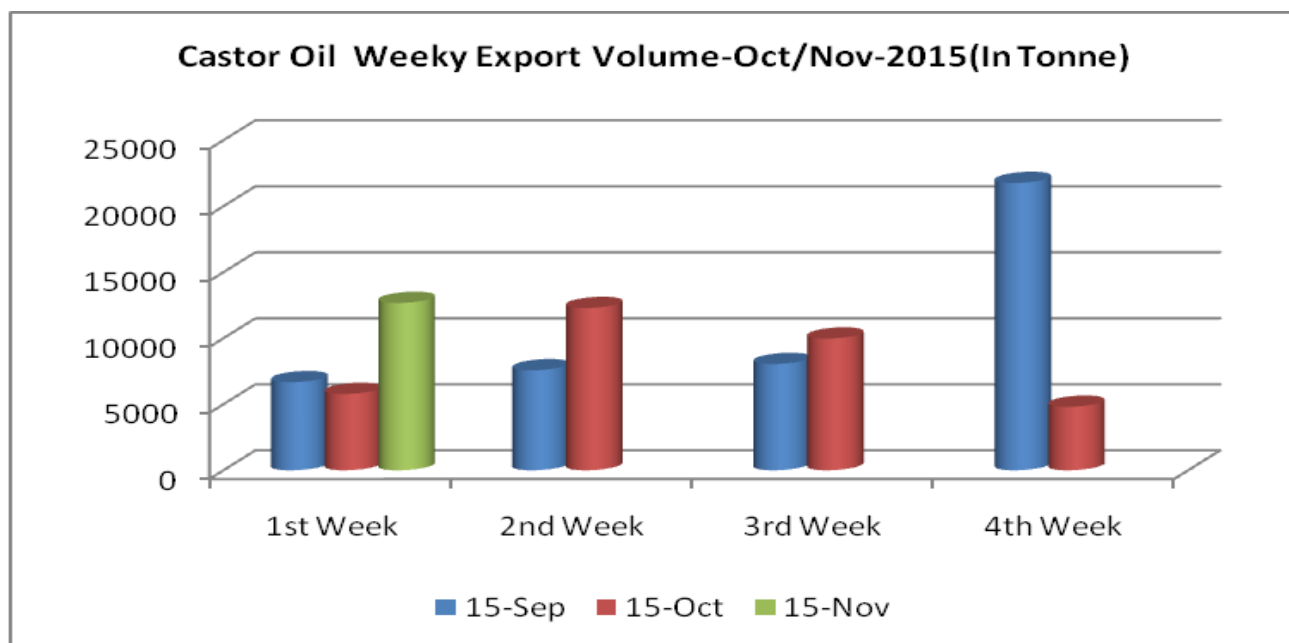


Castor meal export volume decreased by 81.74 percent in Oct in comparison to Sept and is likely to decrease in the weeks ahead. . FOB quotes for meal has increased slightly this week from \$112 to \$114 per tonne. France bought 208.9 tonne meal last week at an ave price of \$164.65 per tonne.

**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**


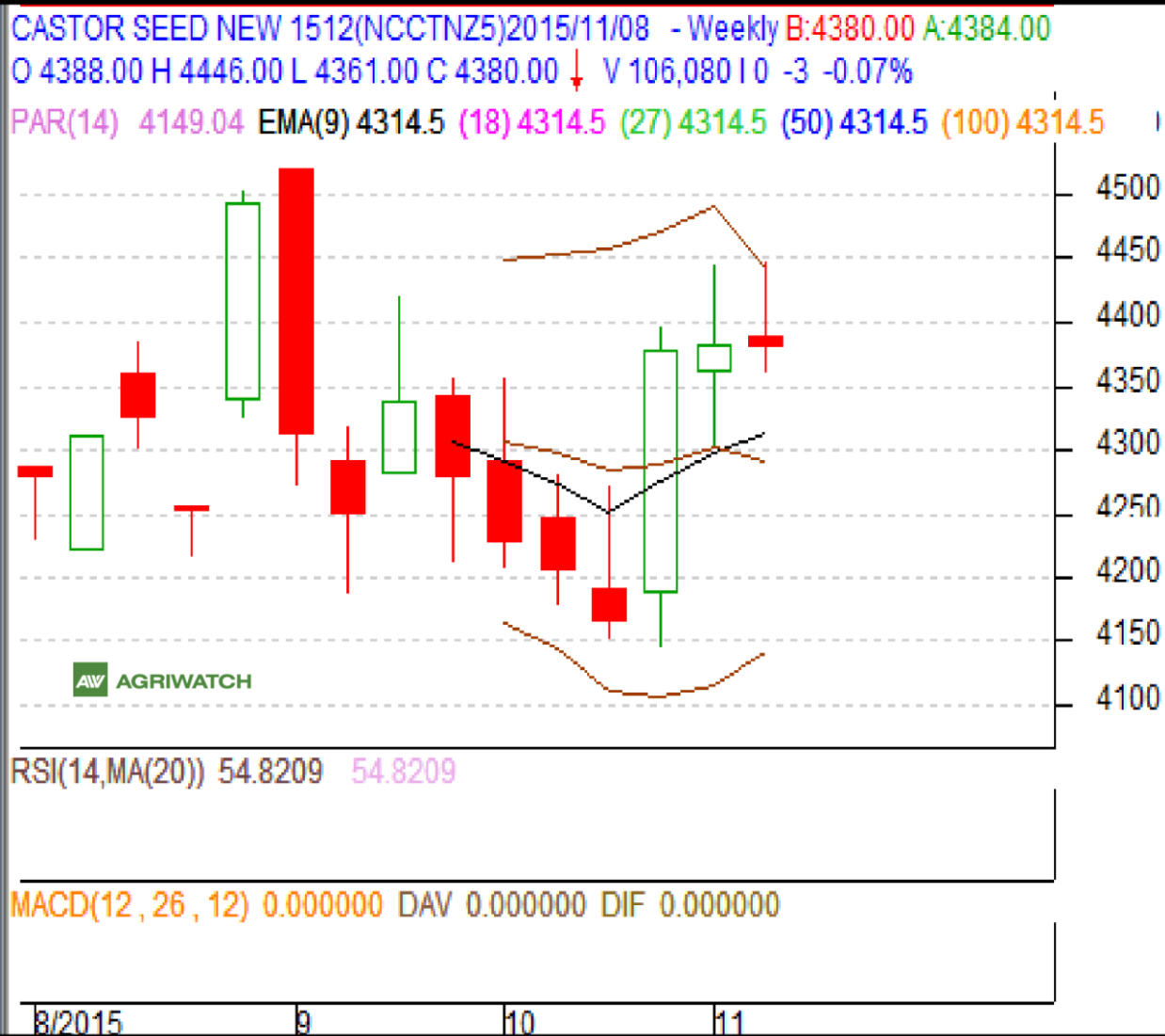
**Cash Market Price Outlook For Deesa Spot**

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	4000-4050	4050-4100
Medium Term (30 days)	4100-4150	4150-4200

Comparative Prices Of Castor Products Including Seed					
	06th Nov '15	30th Oct '15	06th Oct'15	06th Oct '14	06th Nov '15
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	42000	41500	41250	45313	-7.89
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	103	103	109	125	-21.36
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	6500	6450	7000	7513	-15.58
Castor Oil (First Grade) FOB Kandla (Export)\$/Tonne	1300	1295	1275	1509	-16.08
Local rates for oil in domestic market(Rs./M.T.) for comm.	86000	85000	85500	86565	-0.66

Source: SEA latest update is not available .

**Technical Analysis:**
**Castor Seed: Dec Contact-2015**
**Expiry Date:20.12.2015**


**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 4350
- The nearest by support is 4333 and first resistance 4451.

**Strategy: Buy on dip**

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Castor Seed	NCDEX	Dec	4333	4376	4380	4451	4520
Pre-Market Weekly Trade Call*			Call	Entry	T1	T2	SL
Castor Seed	NCDEX	Dec	Buy above	4350	4420	4435	4332

Progressive Sowing Coverage Till 8th Oct,2015:

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

Source:DES

**Cash Markets Price :**

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

<b>Commodity</b>	<b>Market</b>	<b>Price (Rs/ Quintal)</b>		<b>Change</b>
<b>Center</b>		<b>30th to 05th Nov. 15</b>	<b>23th to 29th Oct. 15</b>	
<b>Rajasthan</b>	Sumerpur	3893	3858	35
	Jodhpur	4087	4042	45
<b>Gujarat</b>	Ahmedabad	NA	3830	-
	Halvad	3950	3883	67
	Rajkot	3969	3840	129
	Gondal	3960	3879	81
	Patan	4100	4013	87
	Harij	4095	3993	102

	Mehsana	4083	3995	<b>88</b>
	Kadi	4130	4012	<b>118</b>
	Deesa	4084	3970	<b>114</b>
	Bhabar	4086	3986	<b>100</b>
	Sabarkatha	4090	4015	<b>75</b>
	Gandhi Nagar	4092	3995	<b>97</b>
	Junagadh	3925	3859	<b>66</b>
	Dhrol	3730	NA	-

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

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		5-Nov-15	29-Oct-15	5-Oct-15	5-Nov-14
<b>Rajasthan</b>	Sumerpur	3900	3850	3850	4150
	Jodhpur	4070	4030	NA	4300
<b>Gujarat</b>	Ahmedabad	NA	NA	NA	NA
	Halvad	4000	3900	3925	NA
	Rajkot	3960	3825	NA	4230
	Gondal	3955	3855	Closed	4280
	Patan	4075	3975	3950	4625
	Harij	4110	3990	3975	NA
	Mehsana	4090	4025	4000	4500
	Kadi	4140	3995	Closed	4475
	Deesa	4120	NR	3970	4650
	Bhabar	4125	3990	3975	NA
	Sabarkatha	4125	4025	4000	NA
	Gandhi Nagar	4110	3990	3975	NA
	Junagadh	3972	3810	3870	NA
	Dhrol	NA	NA	NA	NA

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

Center	Market	Weekly Arrivals (Quintal)		Change
		30th to 05th Nov. 15	23th to 29th Oct. 15	
<b>Rajasthan</b>	Sumerpur	464	384	<b>80</b>
	Jodhpur	528	336	<b>192</b>
<b>Gujarat</b>	Halvad	525	768	<b>-243</b>
	Rajkot	2240	1825	<b>415</b>

	Gondal	1588	1493	<b>95</b>
	Patan	22125	17250	<b>4875</b>
	Harij	4125	2550	<b>1575</b>
	Mehsana	8800	4080	<b>4720</b>
	Kadi	12960	10508	<b>2452</b>
	Deesa	7199	4400	<b>2799</b>
	Bhabar	5201	5063	<b>138</b>
	Sabarkatha	3675	1613	<b>2062</b>
	Gandhi Nagar	4950	3488	<b>1462</b>
	Junagadh	561	547	<b>14</b>
	Dhrol	26	NA	-
	Other Gujarat	NA	12	-
<b>Total Arrivals/Above Markets</b>		<b>74967</b>	<b>53745</b>	<b>21222</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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