

Castor Domestic Market Fundamentals: -

Castor seed cash markets continue to trade under pressure taking clue from weak futures and lower export volume data. Besides, good production prospects backed by normal weather condition in major growing belts weighed on castor seed prices during the week under review. As per latest feedback received from farmers, plants are in normal growth stages and there is no incident of any pest attack so far. Overall market sentiment is weak in the short term. However, any abnormal dip from current level is unlikely.

Agriwatch internal survey report says that around 65 percent seed stock (out of 5.5 lakh tonne) is in custody of strong hands and they (stockists) are unwilling to release these stock before December. Prices of seed have decreased due to Nov month's expiry, weak demand for oil from major buyers like China, EU and US, better production prospects and restricted buying from plants in recent weeks. Now market has discounted all these factors and Agriwatch expects recovery from December once again.

Castor Oil Average FoB quote at Kandla port hovered in the range of \$1295 to \$1305 per T last week. As prices of seed decreased by Rs 100 per qtl amid weak demand for oil, quotes may decrease to \$1280 to 1285 per tonne this week. However, it would not sustain and may move up in December-2015 as we expect seed price to move up once again. FoB quotes is still lower by 13.85 percent from price realized in Nov 2014. It was registered at \$1509 in Nov-2014. Stock is definitely lower (1.5 lakh tonne) than last year and overall export volume has been 5 percent higher so far, so stake holders see uptrend in the months ahead. Even in normal condition prices may move up to Rs 4350 to 4500 per qtl in next two months.

Progressive Area Coverage: -

Despite variations in coverage area state wise, we can conclude total area coverage at 11 lakh ha this year. Normally 2 to 3 percent area gets damaged every year even in normal condition. So, harvested area is expected to remain at 10.60 to 10.80 lakh ha this year against last year's coverage area of 10.35 lakh ha. This means India would harvest 50 thousand ha. more area than last year. Under normal condition and higher area Agriwatch expects around 15 lakh tonne crop size this year, 3 lakh tonne higher from last year.

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 14 to 15 lakh tonne for 2015-16. However, it is too early to comment about the final size of the crop despite better crop condition. Next two-three months weather would be very crucial for castor seed production.

Castor Oil export decreases By 78.30 percent to 3935.43 Tonne during the week ended 15, Nov-2015. Castor oil exporters realized 1.26 percent higher price from previous week. Average price was registered at \$1378.50 per tonne last week. Before this, average price was realized at \$1361.07 per tonne. As seed prices have decreased, FoB quote may move slightly down this week. There was No castor meal export last week.

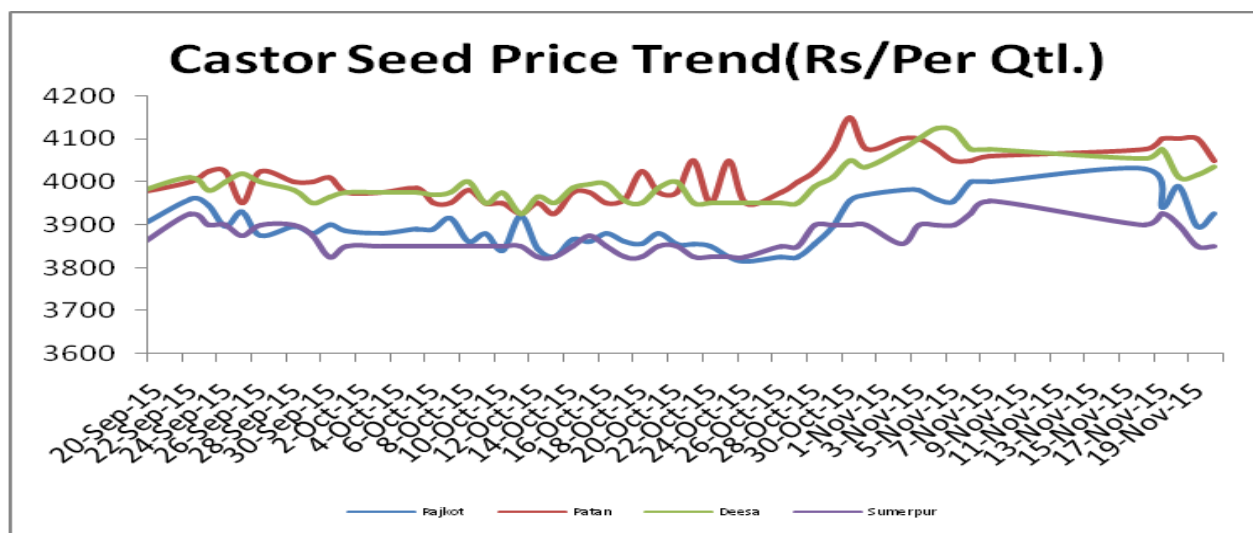
Buyers like China, EU and US are expected to enter into the market in December, recovery could be expected in December-January. Demand from plants and importers may drive seed market in the weeks ahead. New crop is four months away from now so firmness seems a visible possibility.

Outlook & Recommendation: -

Overall market sentiment remains weak in the short term. Bulk buyers should wait for more correction in the market. Agriwatch expects market to move up in Dec-2015. castor oil importers may enter into the market once again at lower level. As new crop is four-five months 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.

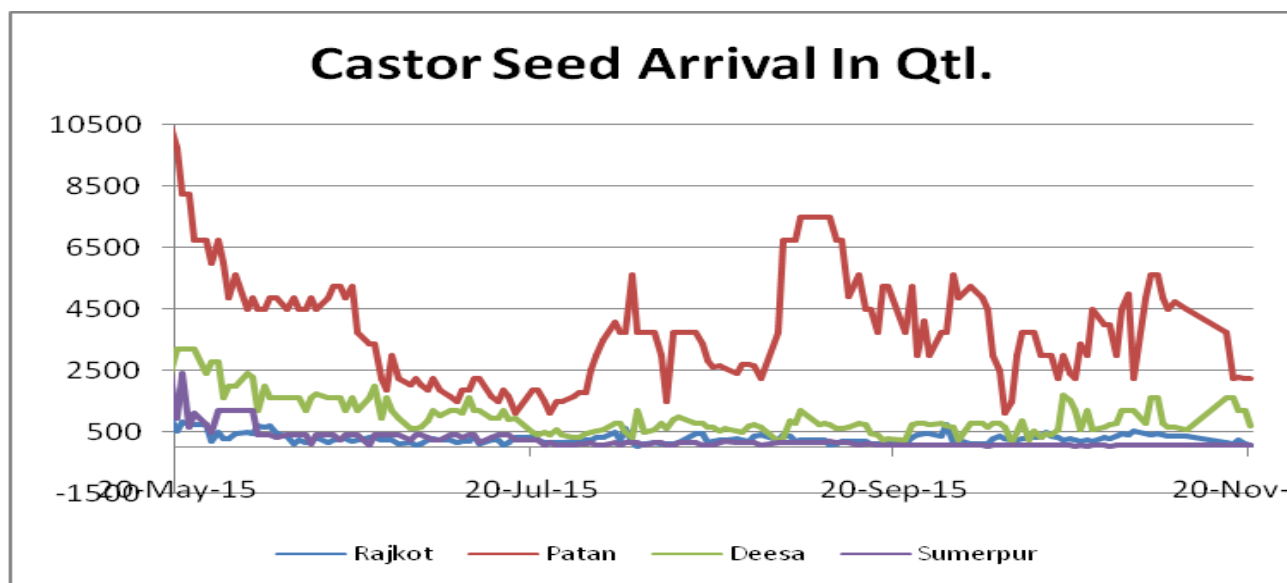
Stake holders may go for buying around 4150 for the target of 4250 in Dec Contract.

Castor Seed Price Trend:



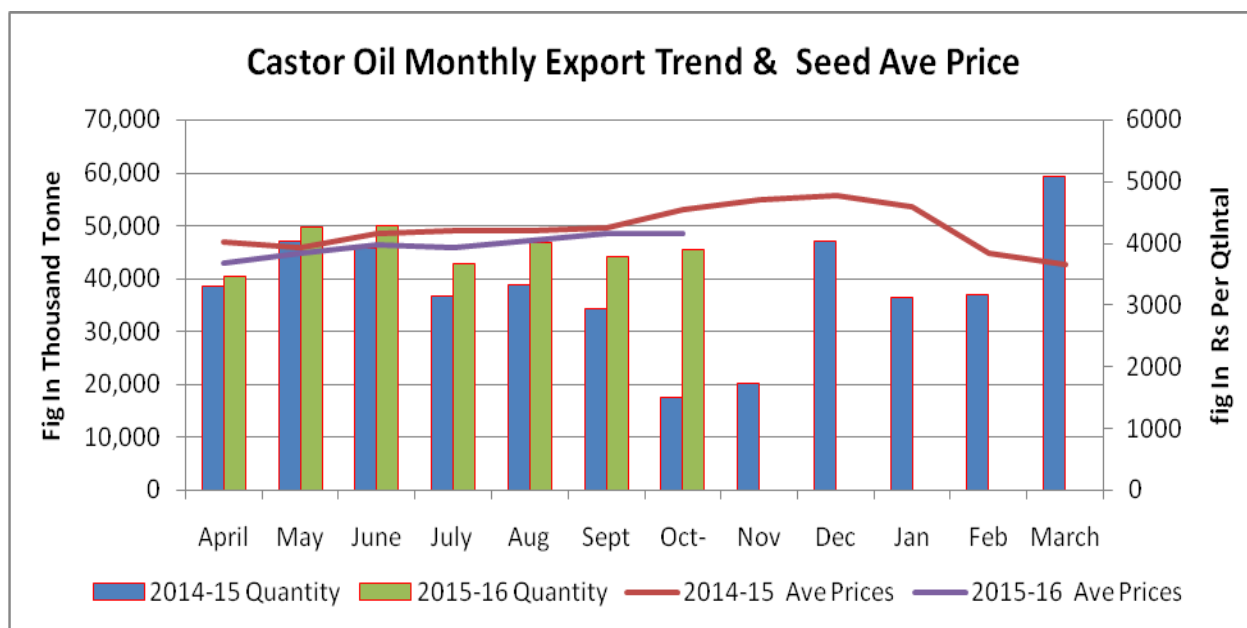
Markets for most part, traded lower during the week ended 21st Nov-2015 due to sluggish trading activities. Besides, farmers released more stock for fulfilling their cash requirements for rabi sowing. Recovery in the market is expected in December. Mostly stock is in strong hands and they would prefer to retain it till December-January. It may push market up. However, higher area coverage and lower demand for oil from overseas market may restrict bull-run. Production prospect is good so far.

Castor Seed Arrival Chart:



Castor seed arrivals decreased during the week under review. Below given line chart shows the declining arrival trend. Major decrease was seen in Patan and Deesa markets in Gujarat. No major improvement in arrivals is expected as stockists are unwilling to release their stock at current price. Arrivals were lower also in in Sumerpur market of Rajasthan. Around 90 percent farmers have sold out their stock.

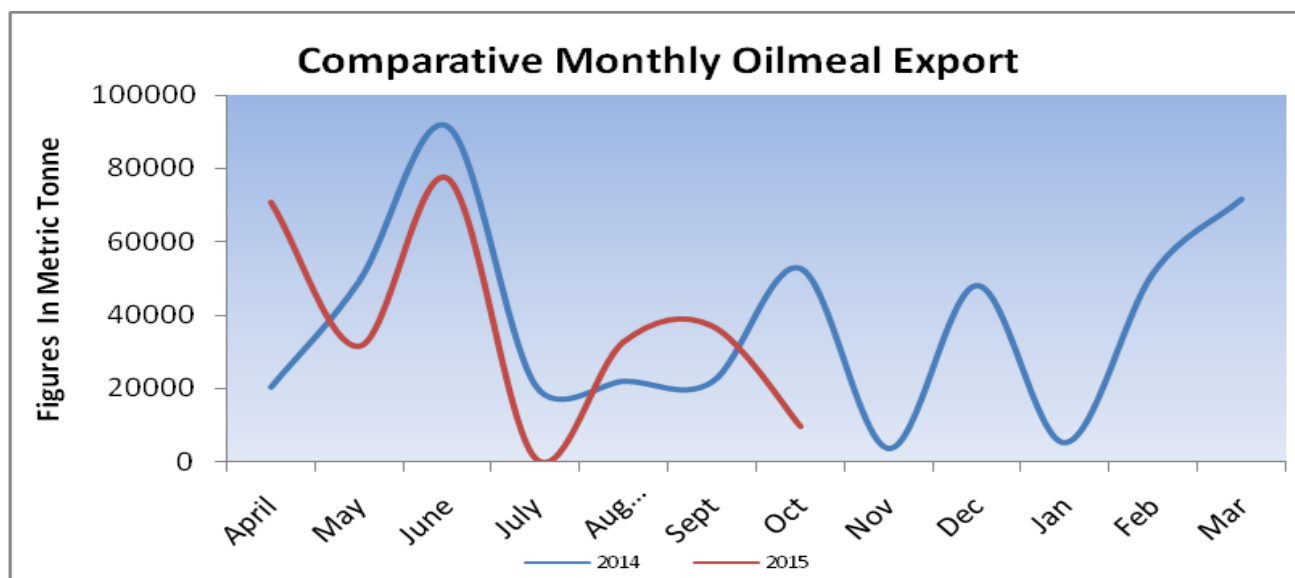
Castor Oil Export Trend:



Source: IBIS/Agriwatch

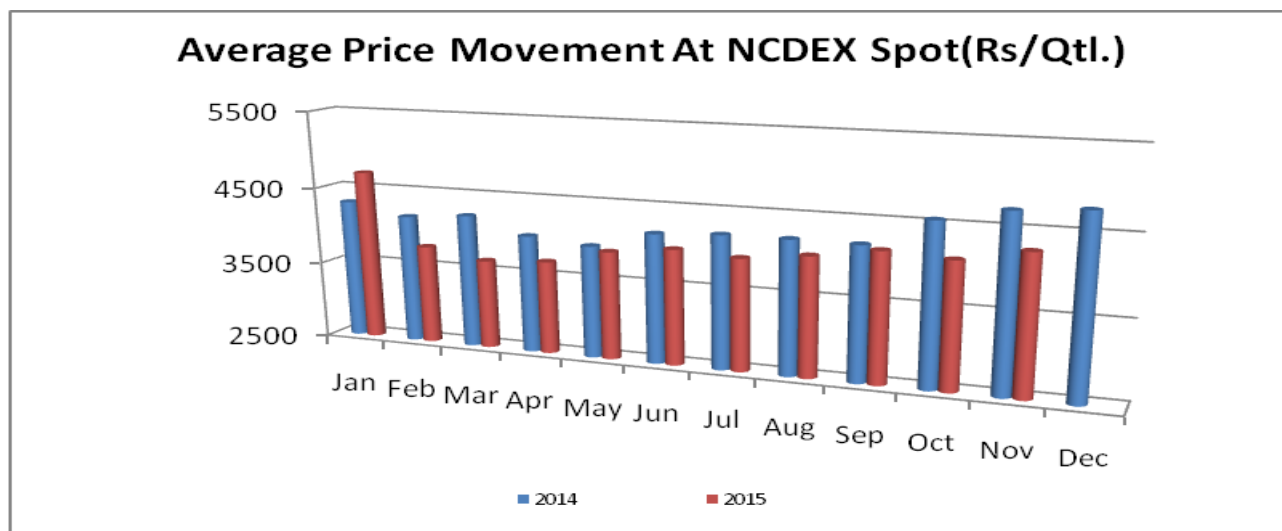
The above given bar chart shows that castor oil export volume continued to rise from the beginning of this MY in comparison to 2014-15. Castor Oil export decreased By 78.30 percent to 3935.43 Tonne during the week ended 15,Nov-2015. Castor oil exporters realized 1.26 percent higher price from previous week. Average price was registered at \$1378.50 per tonne last week. However, price realization has decreased by 0.35 percent last week. At lower level export volume may increase in December.

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.

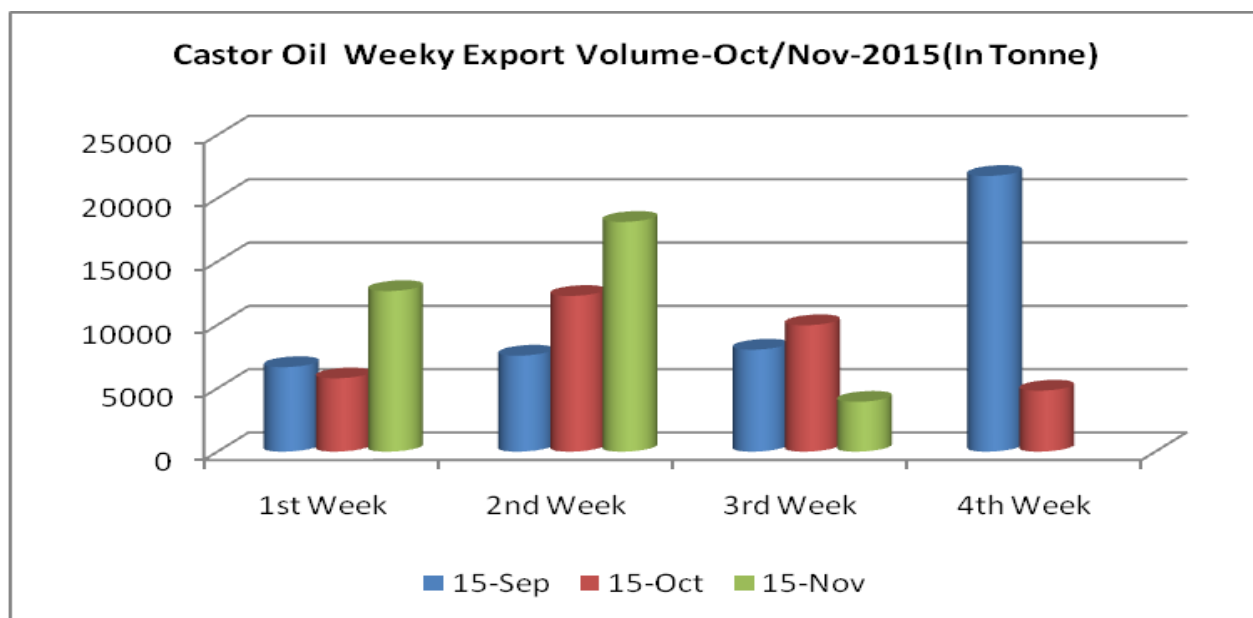
Yearly Average Price Variations At NCDEX Spot :



Note: First 15 days Average Price: Nov-2015

Despite firmness at NCDEX spot castor seed prices are ruling lower by 4 percent from Nov-2014 price. Firmness is likely to continue in December and seed price may move up by 2 to 3 percent from current level. However, whether it would cross last year's level, remains to be seen.

Castor Oil Weekly Export Volume Sep/ Oct-2015



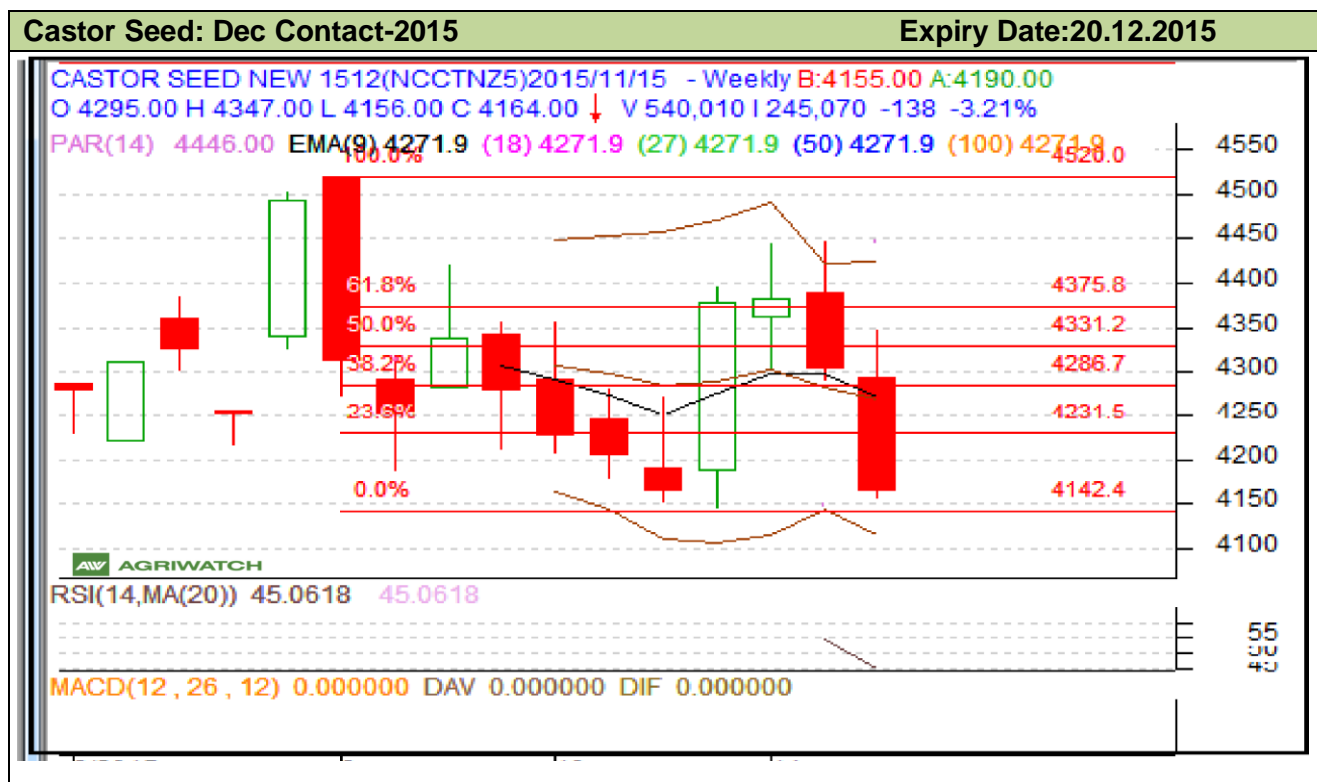
Castor oil import decreased by 60.56% last week from previous week to 3935.43 tonne. Improvement is expected in the last week of December. India had exported 18139.40 tonne oil during week ended 8th Nov-2015. China, Belgium and others were major buyers last week.

Cash Market Price Outlook For Deesa Spot

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	4050-4075	4075-4100
Medium Term (30 days)	4100-4150	4150-4200

Comparative Prices Of Castor Products Including Seed					
	10th Nov '15	3th Nov '15	09th Oct'15	10th Nov '14	Change
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	NA	42000	40750	45313	-
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	NA	103	108	125	-
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	NA	6450	6800	7513	-
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	NA	1295	1265	1506	-
Local rates for oil in domestic market(Rs./M.T.) for comm.	NA	86000	84500	86565	-

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 below 9 and 18 days EMAs denotes weak market.
- Stake holders may go for buying above 4150
- The nearest by support is 4142 and first resistance 4231.

Strategy: Buy on dip

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Castor Seed	NCDEX	Dec	4142	4017	4164	4231	4286
Pre-Market Weekly Trade Call*			Call	Entry	T1	T2	SL
Castor Seed	NCDEX	Dec	Buy above	4150	4210	4230	4130

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
Center		13th to 19th Nov. 15	6th to 12th Nov. 15	
Rajasthan	Sumerpur	3894	3942	-48
	Jodhpur	4050	4097	-47
Gujarat	Ahmedabad	3865	4000	-135
	Halvad	3950	4025	-75
	Rajkot	3964	3973	-9
	Gondal	3972	3880	92
	Patan	4092	4050	42
	Harij	4062	4075	-13
	Mehsana	4046	4083	-37
	Kadi	4040	4125	-85
	Deesa	4039	4075	-36
	Bhabar	4058	4095	-37
	Sabarkatha	4096	4088	8
	Gandhi Nagar	4063	4113	-50
	Junagadh	3937	3883	54
	Dhrol	3880	NA	-

Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		19-Nov-15	12-Nov-15	19-Oct-15	19-Nov-14
Rajasthan	Sumerpur	3850	Closed	3825	4125
	Jodhpur	4030	Closed	4040	4200
Gujarat	Ahmedabad	3850	Closed	3900	4450
	Halvad	3925	Closed	3850	NA
	Rajkot	3895	Closed	3825	4225
	Gondal	3930	Closed	3855	4125
	Patan	4100	Closed	4025	4605
	Harij	4015	Closed	4000	NA
	Mehsana	4035	Closed	3960	4440
	Kadi	4025	Closed	NA	4525
	Deesa	4015	Closed	3985	4575
	Bhabar	4030	Closed	3975	NA
	Sabarkatha	4075	Closed	3950	NA
	Gandhi Nagar	4025	Closed	3975	NA
	Junagadh	3850	Closed	3855	4130
	Dhrol	NA	Closed	3755	NA

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	Weekly Arrivals (Quintal)	Change
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		13th to 19th Nov. 15	6th to 12th Nov. 15	
Rajasthan	Sumerpur	320	240	80
	Jodhpur	288	248	40
Gujarat	Halvad	305	300	5
	Rajkot	630	825	-195
	Gondal	532	91	441
	Patan	8250	4875	3375
	Harij	2250	900	1350
	Mehsana	2240	2320	-80
	Kadi	1520	5360	-3840
	Deesa	5600	640	4960
	Bhabar	1949	1245	704
	Sabarkatha	638	1200	-562
	Gandhi Nagar	1013	1350	-337
	Junagadh	160	136	24
	Dhrol	1	NA	-
	Other Gujarat	5	4	1
Total Arrivals/Above Markets		25701	19734	5967

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 bearish phase. Stake holders should buy near 4150 in December contract.

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