

### Castor Domestic Market Fundamentals: -

Castor seed cash/ futures markets continued to trade weak due to weak inner tone prevailing in the market and poor buying interest at current level during the week under review. Besides, higher stock, better crop condition and increasing hope for early arrivals have pressurized market to a great extent. However, slight recovery is expected at current level despite weak inner tone. Futures (Dec) may test 3800 level in before upward correction.

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.

After Diwali mostly cash markets were traded up before taking unexpected dip last week. The major reasons behind current dip were increasing expectation of early arrivals, good crop condition and lower import demand from major buyers like China, EU and US. Higher available stock too encouraged market to have a downward correction. All cash market decreased in the range of Rs75 to Rs 150 per qtl. As inner tone remains weak, arrival would continue to dip in major bence mark markets.

Castor oil export during week ending<sup>22</sup> Nov was registered higher by 392 % to 19364 tonne at an Average FoB price of \$1351.52 per T. India had exported 3933.45 tonne oil during the week ending 15 Nov-2015. However, price realization has decreased by 2 percent last week. As prices of seed are expected to decrease, FoB quotes are bound to decrease once again from current level.

### 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.

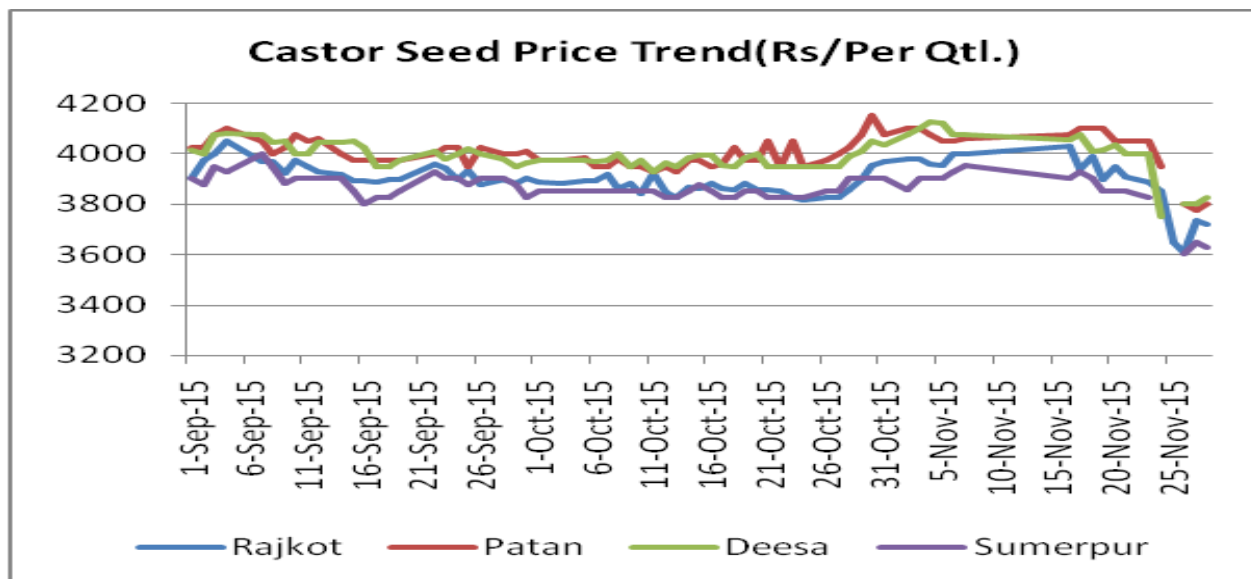
Agriculture statistics Division, DES has released its 1st Adv estimates of Production of food-grains for 2015-16 on 16.09.2015. It has estimated 19.44 lakh tonne seed production this year. The production target for 2015-16 has been fixed at 20.34 lakh ton. India has produced 19.63 lakh tonne castor seed 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 oil and meal export posted smart recovery during the week ended 22 Nov and increased by 352 & 125 percent in comparison to last week. As prices of seed have decreased importers would continue to fulfill their immediate requirement. Meal Ave FoB quote was \$158.17 per T while Oil quote was registered at \$1351.52 per tonne at Kandla.

### Outlook & Recommendation: -

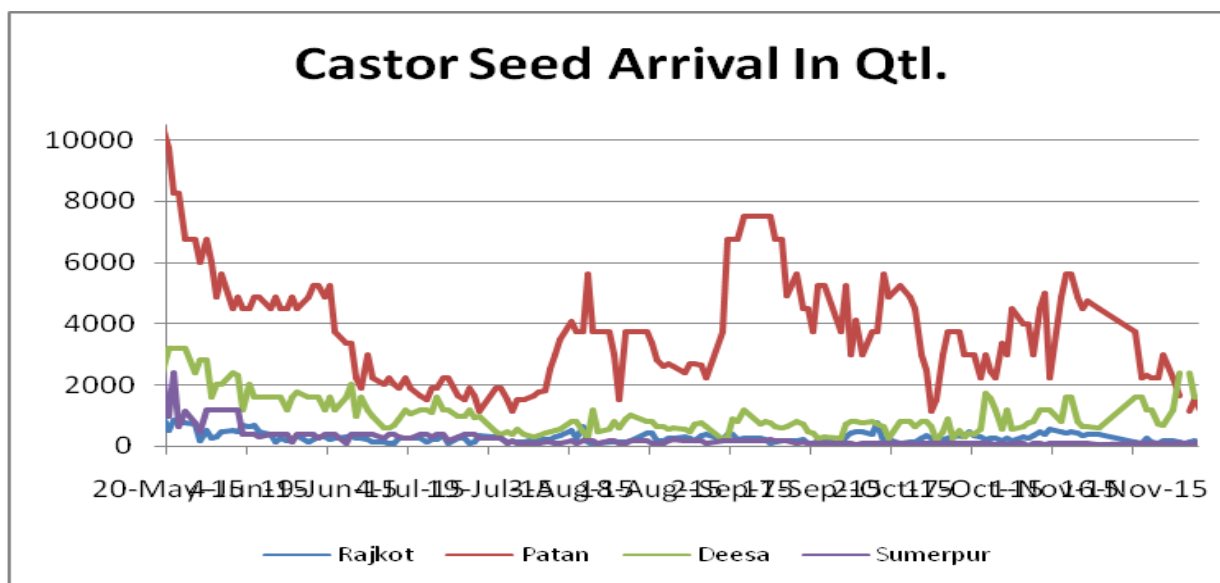
Overall market sentiment remains weak in the short term. Bulk buyers should wait for more correction in the market. Agriwatch expects market to move up by the end of Dec-2015. Castor oil importers may enter into the market once again at lower level. As new crop is two –three month away from now, stockists may try to release 50 % stock in next one two months. Seed stock is considered to be lower by 50 to 55 percent in comparison to last year at this point of time. So pressure on market would continue. Buyers should start taking position in futures around 3750 to 3775.

Stake holders may go for Selling around 4010 for the target of 3850 in Dec Contract.



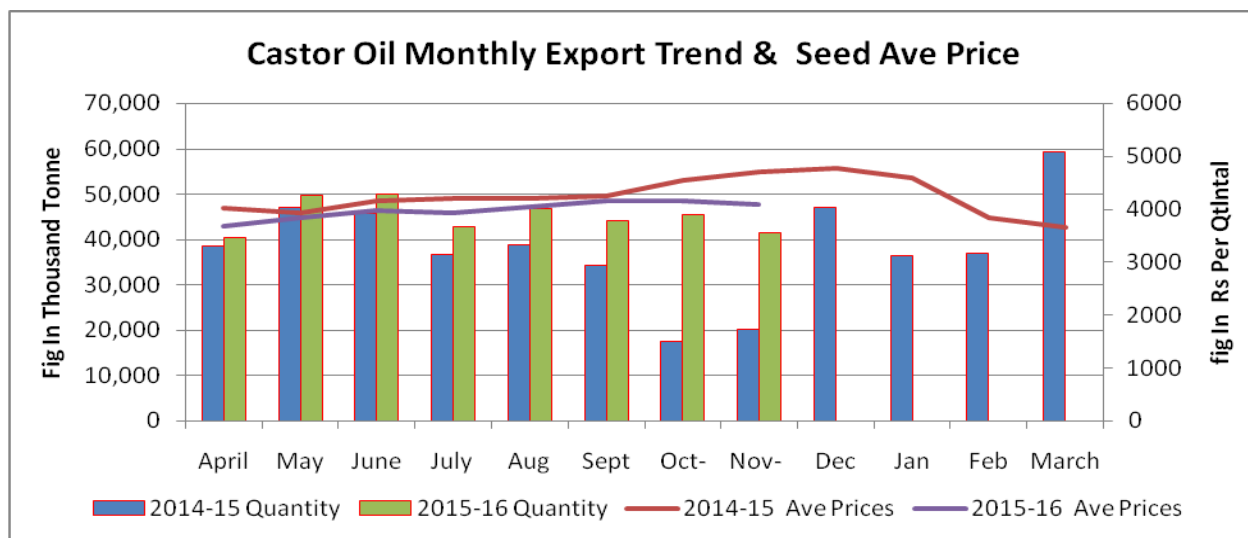
Mostly markets traded weak last week. Castor seed market traded weak in the fourth week of Nov-2015. Weakness was seen in all major benchmark markets. Uptrend is unlikely to continue in the short term. However, medium term outlook remains firm.. Majority of stock is in strong hands and they intend to retain half of their stock till December. However, higher area coverage and lower demand for oil from overseas market may restrict any bull- run now. Production prospect is good and stock is ample. Recent rains have ensured better growth for the standing crop. Expectation of early arrivals too weigh on market fundamentals.

#### Castor Seed Arrival Chart:



Arrivals of seed decreased in major market of Patan/Dessa in Gujarat. Higher pace of arrival was seen in the third week. As prices are ruling lower, it is unlikely to increase in the first week of December. Stake holders would prefer to wait for correction in the cash market.. Market participants say that arrival pace would not increase as they expect price to move up once again in end December/Jan.

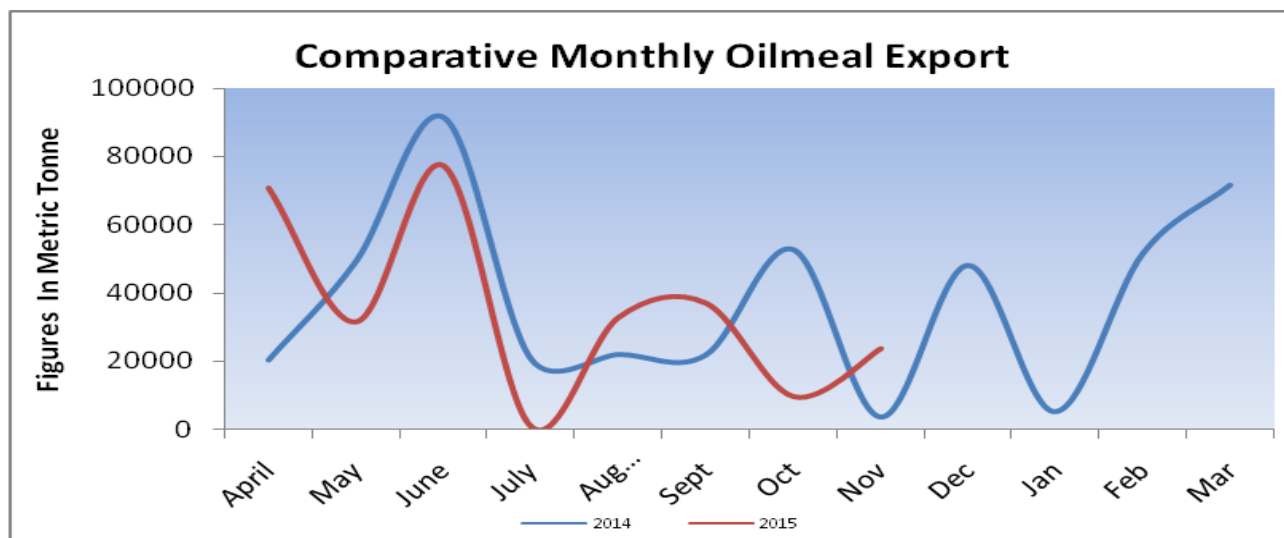
### Castor Oil Export Trend:



Source: IBIS/Agriwatch

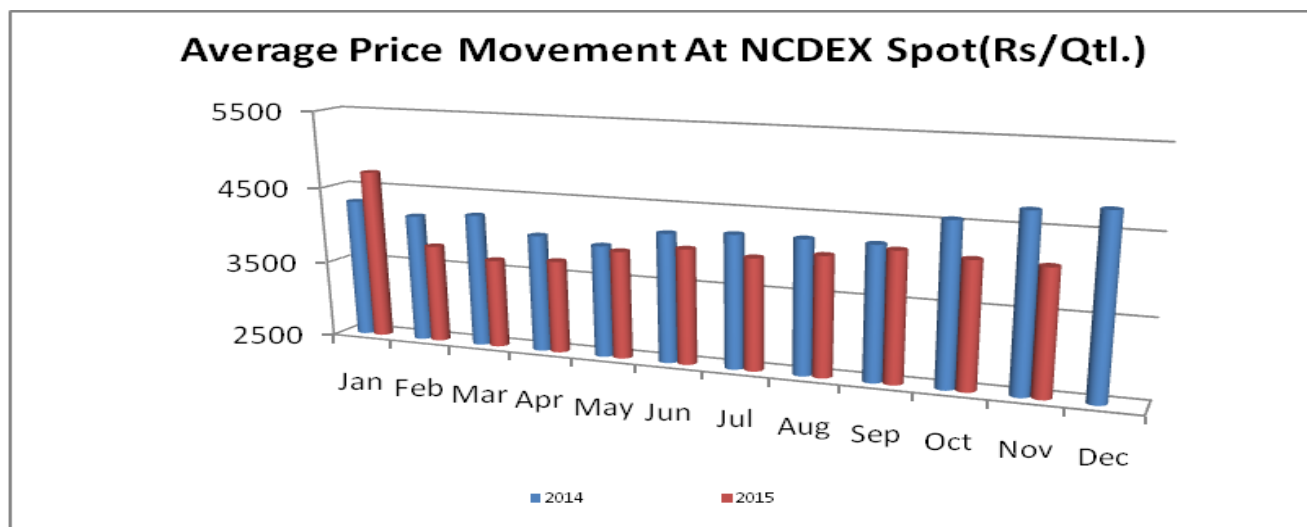
The above given bar chart shows that castor oil export volume continued to rise from the beginning of this MY in comparison to 2014-15. Castor oil export during week ending<sup>22</sup> Nov was registered higher by 392 % to 19364.4 tonne at an Average FoB price of \$1351.52 per T. India had exported 3935 tonne oil during the week ending 15th Nov-2015. However, price realization has decreased by 2 percent last week. As prices of seed are expected to decrease, FoB quotes are bound to trade weak once again.

### Castor Meal Export:



Castor meal export volume decreased by 545 percent in Nov in comparison to Oct and is likely to increase in the weeks ahead as seed prices have decreased. 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.

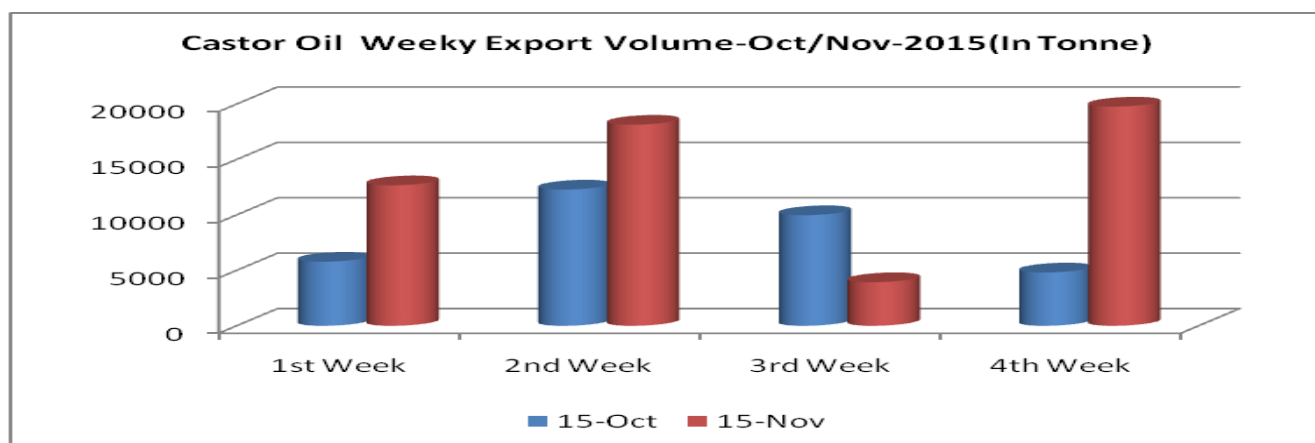
### Yearly Average Price Variations At NCDEX Spot :



Note: Average Price: Nov-2015

Despite uptrend castor seed prices are ruling 0.47 percent lower than the price of Nov.2014.Trend shows weak momentum to continue. Market would not break 2014 level even in December.

### 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)	3700-3750	3750-3800
Medium Term (30 days)	3800-3850	3850-3900

**Comparative Prices Of Castor Products Including Seed**

	27th Nov '15	20th Nov '15	27th Oct'15	27th Nov '14	Change
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	40250	41000	40750	45313	<b>-12.58</b>
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	98	100	103	125	<b>-27.55</b>
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	6400	6500	6450	7513	<b>-17.39</b>
Castor Oil (First Grade) FOB Kandla (Export)\$/Tonne	1245	1275	1265	1509	<b>-21.20</b>
Local rates for oil in domestic market(Rs./M.T.) for comm.	83000	85500	84000	86565	<b>-4.30</b>

Source: SEA latest update is not available .

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

**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 selling below 4000
- The nearest by support is 3810 and first resistance 4016.

**Strategy: Sell on rise**

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Castor Seed	NCDEX	Dec	3810	3727	3862	4016	4087
Pre-Market Weekly Trade Call*			Call	Entry	T1	T2	SL
Castor Seed	NCDEX	Dec	<b>Sell below</b>	4000	3850	3810	4015

**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>20th to 26th Nov. 15</b>	<b>13th to 19th Nov. 15</b>	
<b>Rajasthan</b>	Sumerpur	3781	3894	<b>-113</b>
	Jodhpur	3973	4050	<b>-77</b>
<b>Gujarat</b>	Ahmedabad	3840	3865	<b>-25</b>
	Halvad	3833	3950	<b>-117</b>
	Rajkot	3803	3964	<b>-161</b>
	Gondal	3880	3972	<b>-92</b>
	Patan	3980	4092	<b>-112</b>
	Harij	3975	4062	<b>-87</b>

	Mehsana	3969	4046	-77
	Kadi	3938	4040	-102
	Deesa	3917	4039	-122
	Bhabar	3960	4058	-98
	Sabarkatha	4019	4096	-77
	Gandhi Nagar	3967	4063	-96
	Junagadh	3865	3937	-72
	Dhrol	3678	3880	-202

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

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		26-Nov-15	19-Nov-15	26-Oct-15	26-Nov-14
<b>Rajasthan</b>	Sumerpur	3600	3850	3850	4075
	Jodhpur	NR	4030	4000	4100
<b>Gujarat</b>	Ahmedabad	3755	3850	NA	4450
	Halvad	3700	3925	3875	NA
	Rajkot	3605	3895	3825	4125
	Gondal	3830	3930	3855	4205
	Patan	3800	4100	3975	4555
	Harij	3800	4015	3965	NA
	Mehsana	3800	4035	3965	4400
	Kadi	3710	4025	Closed	4400
	Deesa	3800	4015	3950	4725
	Bhabar	3800	4030	3960	NA
	Sabarkatha	NA	4075	4000	NA
	Gandhi Nagar	3800	4025	3975	NA
	Junagadh	3690	3850	3800	4085
	Dhrol	NA	NA	NA	NA

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

Center	Market	Weekly Arrivals (Quintal)		Change
		20th to 26th Nov. 15	13th to 19th Nov. 15	
<b>Rajasthan</b>	Sumerpur	320	320	Unch
	Jodhpur	272	288	-16
<b>Gujarat</b>	Halvad	360	305	55
	Rajkot	780	630	150
	Gondal	856	532	324

	Patan	10275	8250	<b>2025</b>
	Harij	2475	2250	<b>225</b>
	Mehsana	2320	2240	<b>80</b>
	Kadi	2152	1520	<b>632</b>
	Deesa	7372	5600	<b>1772</b>
	Bhabar	3300	1949	<b>1351</b>
	Sabarkatha	713	638	<b>75</b>
	Gandhi Nagar	998	1013	<b>-15</b>
	Junagadh	325	160	<b>165</b>
	Dhrol	17	1	<b>16</b>
		<b>32535</b>	<b>25696</b>	<b>6839</b>

### **Outlook & Recommendation:**

*Castor seed market is expected to trade weak in the weeks ahead led by bears operators' active participation in futures and increasing intention to release retained stock. Stake holders should wait till market gets firmed up. Weakness would continue.*

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php> © 2015 Indian Agribusiness Systems Pvt Ltd.