

**Castor Domestic Market Fundamentals: -**

Castor seed cash/ futures markets continued to reel under pressure 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 too have weighed on the market fundamentals. However, slight recovery is expected at current level despite weak inner tone. Futures (Dec) may test 3800 level before any 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.

Crop condition throughout the country is good to excellent and there is no report of pest attack from any producing regions of Tamil Nadu, Rajasthan, A.P. & Gujarat. Early sown crop have entered flowering stages and crop arrival is expected by February end. However, pressure of new seed may be felt in April, a month earlier than normal.

India exported 12638.67 T castor oil during week ended 29 Nov, 2015 at an ave FoB quote of \$1350.57 per tonne. China was the biggest buyer last week, buying 7731.67 T, followed by France 2348.14 T. Other active buyers were Thailand, Poland and Belgium who collectively bought around 3351 tonne. Demand continues from China and it may lend support to seed market.

**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 corresponding 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.

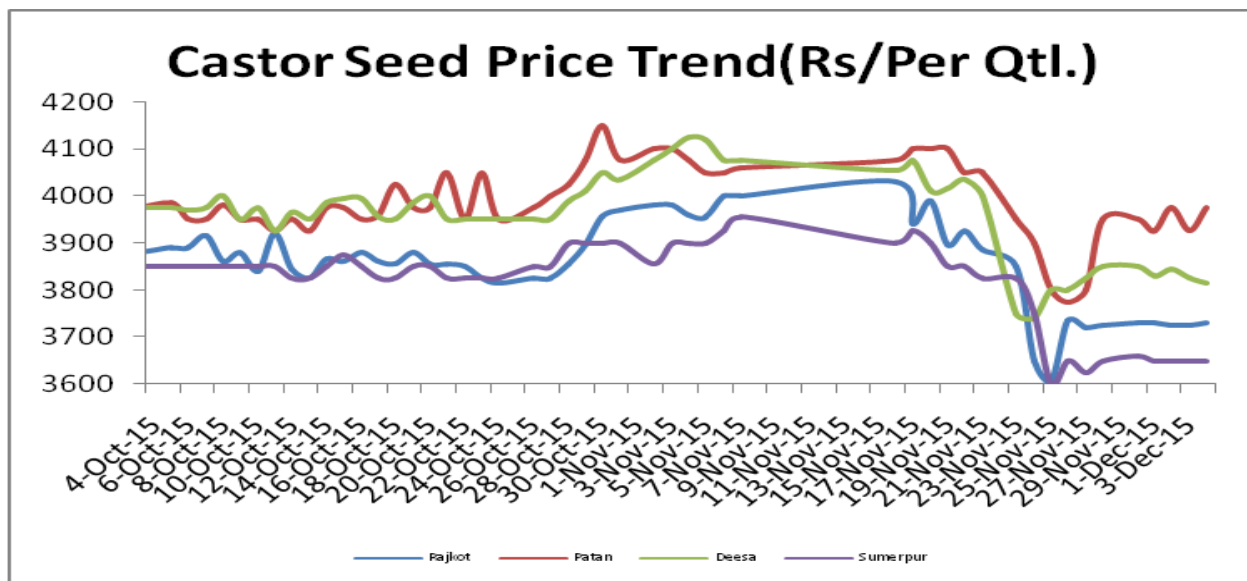
Agriculture statistics Division, DES has released its 1st Adv estimates of Production of food-grains for 2015-16 on 16.09.2015. It has estimated 19.44 lakh tonne seed production this year. The production target for 2015-16 has been fixed at 20.34 lakh ton. India has produced 19.63 lakh tonne castor seed 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 meal import decreased drastically during week ending 29 Nov-2015 to 2550 tonne from 13571 tonne of previous week. Ave Price too decreased from \$158 to \$152 per tonne. As prices of seed is lower now, more demand for oil meal is expected in the month of December-2015.

**Outlook & Recommendation: -**

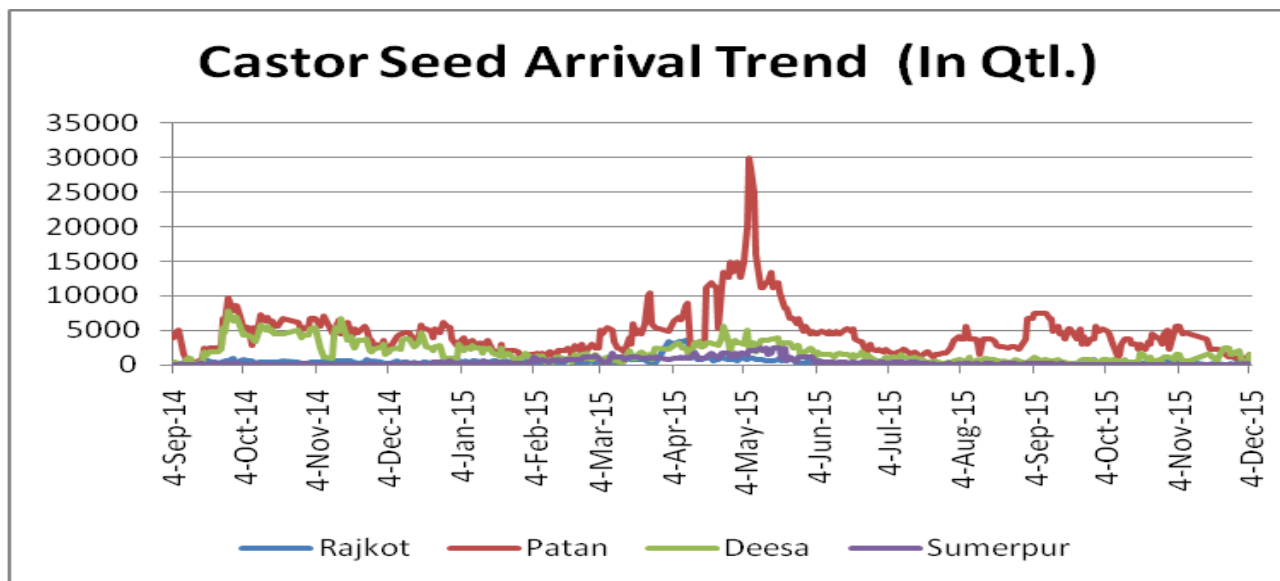
Overall market sentiment remains weak in the short term. Bulk buyers should wait for more correction in the market. Agriwatch expects market to move up by the end of Dec-2015. Castor oil importers may enter into the market once again at lower level. As new crop is two –three month away from now, stockists 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 Buying above 3825 for the target of 3875/3900 in Dec Contract.



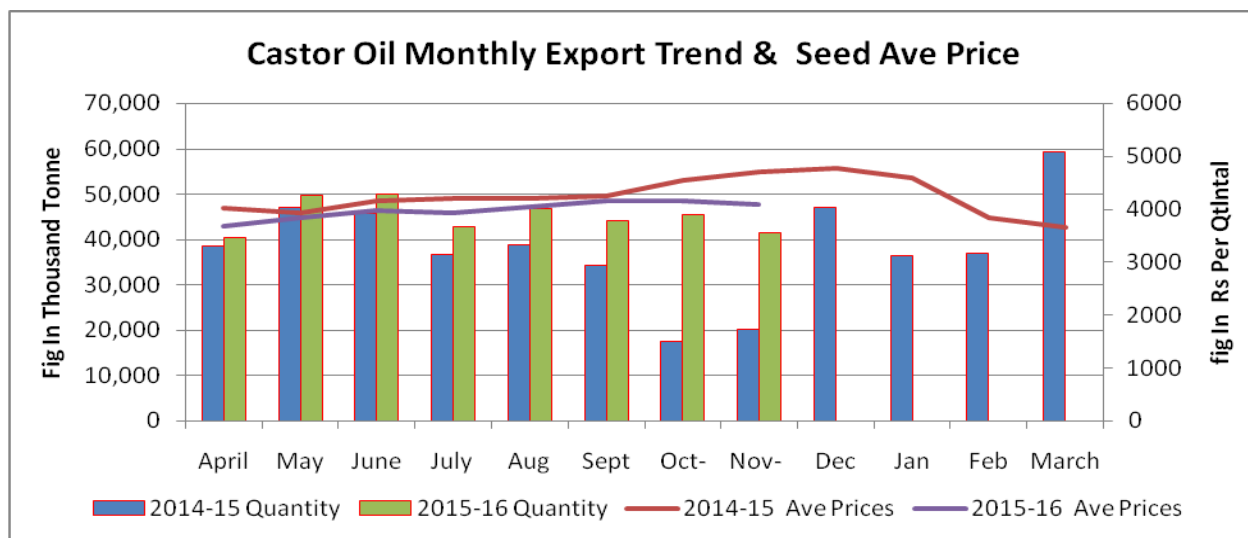
Markets traded weak last week. However, some recovery was seen in the first week of Dec. Agriwatch expects market to stay steady this week as supply demand side is almost normal. Uptrend is unlikely to continue in the short term. However, medium term outlook remains firm. Majority of stock is in strong 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 and Rajkot in Gujarat. Higher pace of arrival was seen in the fourth week in Deesa. As prices are ruling lower, it is unlikely to increase in the second 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.

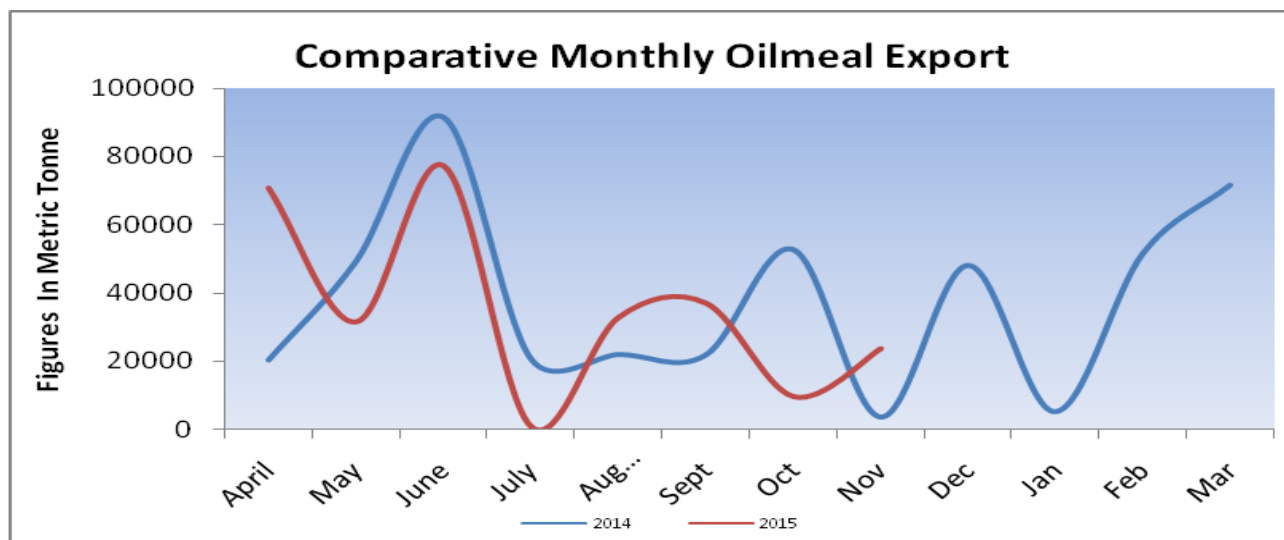
### Castor Oil Export Trend:



Source: IBIS/Agriwatch

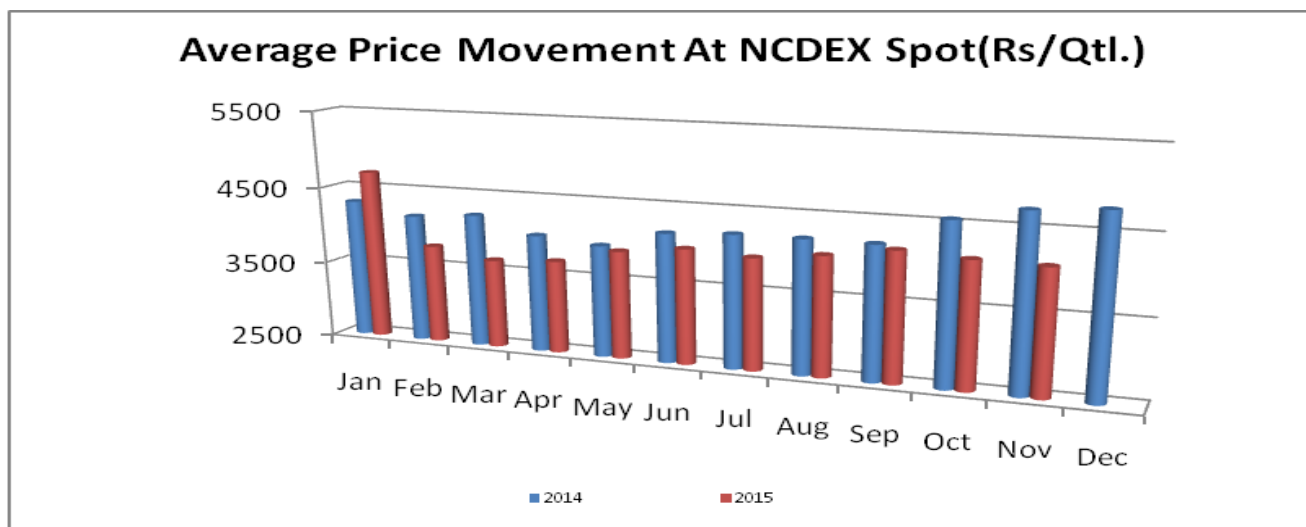
The above given bar chart shows that castor oil export volume continued to rise from the beginning of this MY in comparison to 2014-15. Castor oil export during week ending 22<sup>nd</sup> Nov was registered higher by 392 % to 19364.4 tonne at an Average FoB price of \$1351.52 per T. India had exported 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.

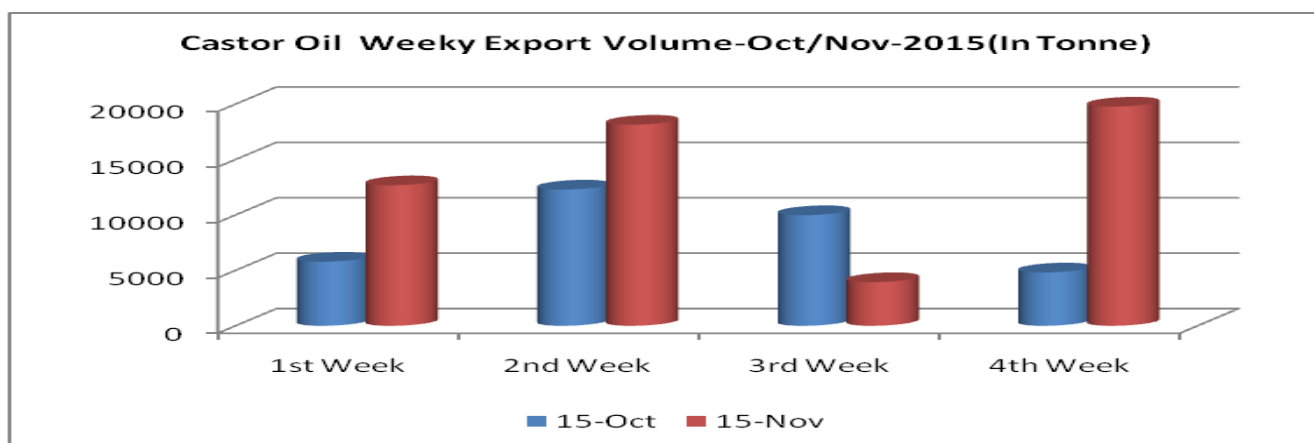
### Yearly Average Price Variations At NCDEX Spot :



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 buying above 3810
- The nearest by support is 3800 and first resistance 3933.

**Strategy:Buy on dip**

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Castor Seed	NCDEX	Dec	3765	3810	3862	3933	4016
Pre-Market Weekly Trade Call*			Call	Entry	T1	T2	SL
Castor Seed	NCDEX	Dec	Buy above	3810	3875	3900	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>27 Nov. to 03 Dec. 15</b>	<b>20th to 26th Nov. 15</b>	
<b>Rajasthan</b>	Sumerpur	3646	3781	<b>-135</b>
	Jodhpur	3750	3973	<b>-223</b>
<b>Gujarat</b>	Ahmedabad	3723	3840	<b>-117</b>
	Halvad	3740	3833	<b>-93</b>
	Rajkot	3727	3803	<b>-76</b>
	Gondal	3767	3880	<b>-113</b>
	Patan	3892	3980	<b>-88</b>
	Harij	3848	3975	<b>-127</b>

	Mehsana	3856	3969	<b>-113</b>
	Kadi	3821	3938	<b>-117</b>
	Deesa	3829	3917	<b>-88</b>
	Bhabar	3830	3960	<b>-130</b>
	Sabarkatha	3863	4019	<b>-156</b>
	Gandhi Nagar	3888	3967	<b>-79</b>
	Junagadh	3798	3865	<b>-67</b>
	Dhrol	3662	3678	<b>-16</b>

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

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		03-Dec-15	26-Nov-15	03-Nov-15	03-Dec-14
<b>Rajasthan</b>	Sumerpur	3650	3600	3855	4100
	Jodhpur	3790	NR	4110	3900
<b>Gujarat</b>	Ahmedabad	3715	3755	NA	4400
	Halvad	3700	3700	3950	NA
	Rajkot	3725	3605	3980	4075
	Gondal	3500	3830	3930	4205
	Patan	3925	3800	4100	4605
	Harij	3875	3800	4090	NA
	Mehsana	3850	3800	4075	4325
	Kadi	3825	3710	4075	4300
	Deesa	3825	3800	4100	4605
	Bhabar	NA	3800	4100	NA
	Sabarkatha	3875	NA	4075	NA
	Gandhi Nagar	3850	3800	4100	NA
	Junagadh	3810	3690	3900	4025
	Dhrol	NA	NA	3725	NA

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

Center	Market	Weekly Arrivals (Quintal)		Change
		27th Nov to 03rd Dec. 15	20th to 26th Nov. 15	
<b>Rajasthan</b>	Sumerpur	600	320	<b>280</b>
	Jodhpur	356	272	<b>84</b>
<b>Gujarat</b>	Halvad	188	360	<b>-172</b>
	Rajkot	705	780	<b>-75</b>
	Gondal	1513	856	<b>657</b>

	Patan	6225	10275	<b>-4050</b>
	Harij	1650	2475	<b>-825</b>
	Mehsana	1240	2320	<b>-1080</b>
	Kadi	2256	2152	<b>104</b>
	Deesa	6178	7372	<b>-1194</b>
	Bhabar	1725	3300	<b>-1575</b>
	Sabarkatha	79	713	<b>-634</b>
	Gandhi Nagar	409	998	<b>-589</b>
	Junagadh	382	325	<b>57</b>
	Dhrol	20	17	<b>3</b>
		<b>32526</b>	<b>32535</b>	<b>-9009</b>

### **Outlook & Recommendation:**

*Castor seed market is expected to trade steady to slightly 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 stabilizes. Stake holders should wait for directional clue from overseas market.*

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