

Castor Domestic Market Fundamentals: -ori

Castor seed cash markets traded mixed despite firm futures. Recovery in cash and futures markets is likely to continue as market has crashed over 10 percent in last three weeks. Demand for oil from importers continues and it remains supportive to the cash market fundamentals. Lower seed price may encourage plants to buy seed at current level. Cash market is trading in the range of Rs 3650 to Rs 3775 per qtl and may trade firm in the weeks ahead.

All India area coverage has crossed 11 lakh ha till 08th Oct-2015. Sowing is now almost over. Main growing States like Gujarat & Rajasthan have covered 6.40 and 32.89 % higher area this year.

India has exported 337814 tonne castor meal from April to Nov-2015 against 282010 tonne in the corresponding time last year. Export of meal increased in Nov to 85777 tonne. In August and Sept it had exported around 33000 & 39000 tonne meal. Higher demand from overseas market and ample seed availability encouraged seed crushing in recent week. Plants continued to crush due to good demand for oil.

Castor Oil export during the week ended 6th Dec-2015 was registered at 9134.37 tonne, lower by 27.73 % from previous week. India exported at an average FoB price of \$1299.2 per tonne, lower by 3.95 percent from previous week. It exported 12638.67 tonne oil in the week ended 29th Nov-2015 at an average price of \$1350.57 per tonne.

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.

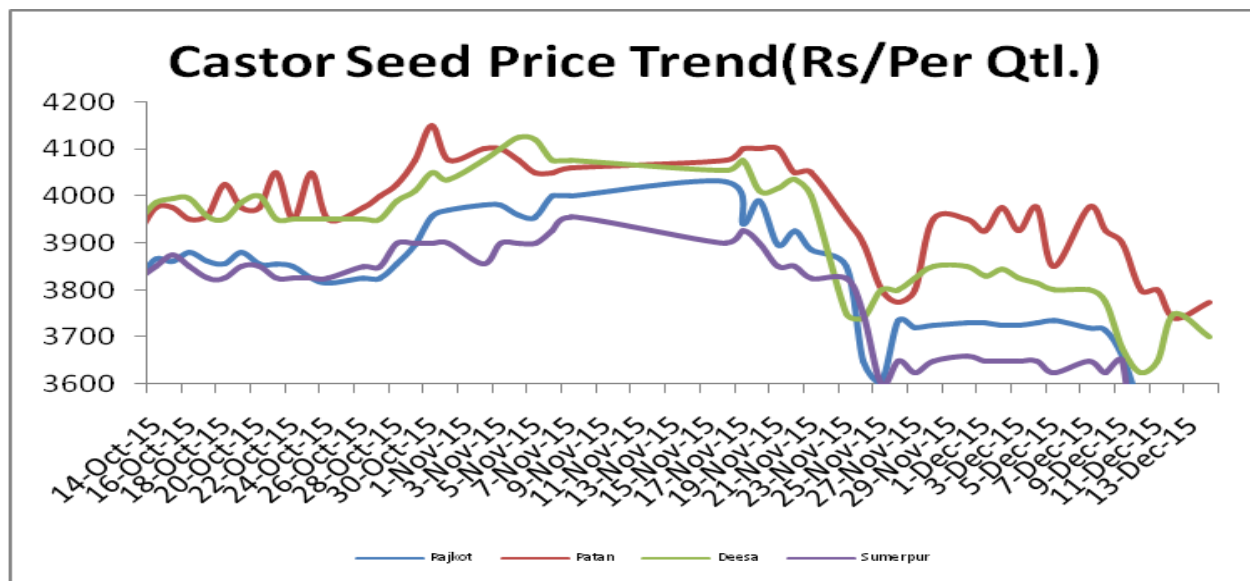
Agriculture statistics Division, DES has released its 1st Adv estimates of Production of food-grains for 2015-16 on 16.09.2015. It has estimated 19.44 lakh tonne seed production this year. The production target for 2015-16 has been fixed at 20.34 lakh ton. India has produced 19.63 lakh tonne castor seed 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.

There was no meal export last week. 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 price of seed is lower now, more demand for oil and meal is expected in the remaining weeks of December-2015.

Outlook & Recommendation: -

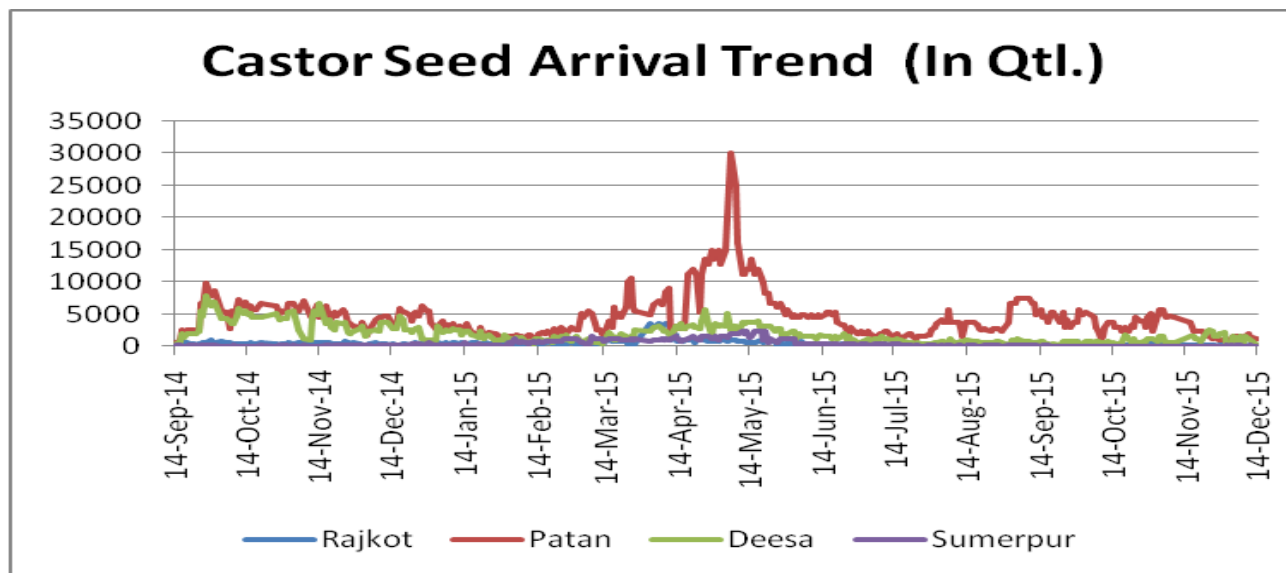
Overall market sentiment remains firm in the short to medium term. Bulk buyers should go for buying in January contract. Agriwatch expects market to move up after Dec settlement. Castor oil importers may enter into the market once again at lower level. As new crop is two –three month away from now, stockists 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 recovery in market is expected. Buyers should start taking position in futures around 3939 to 3940.

Stake holders may go for Buying above 3939 for the target of 4000 in Jan Contract.



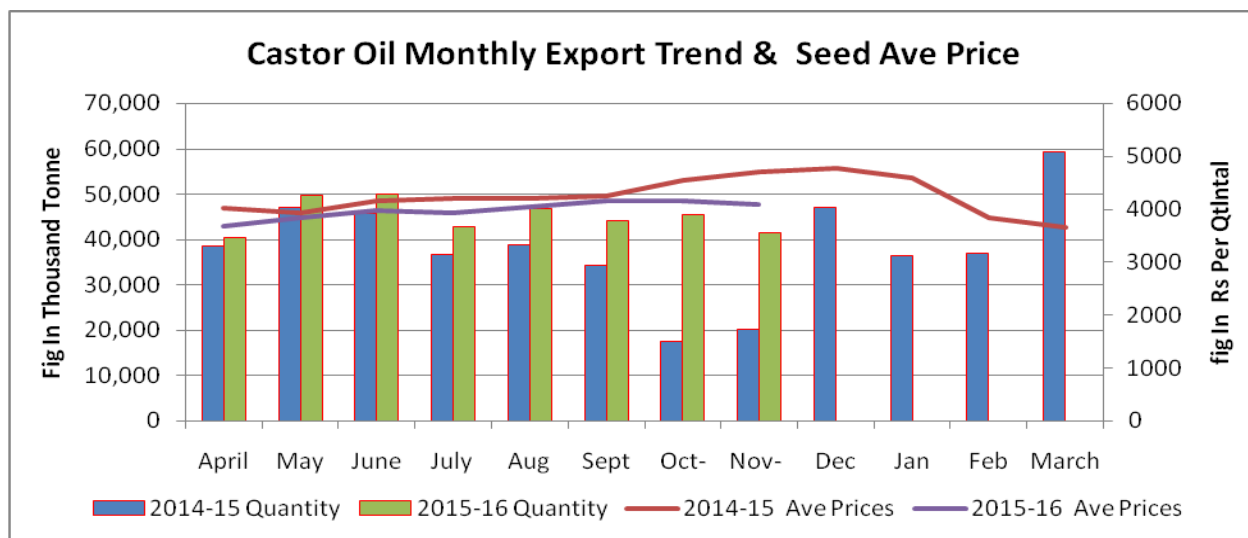
Markets recovered slightly last week. Recovery is likely to continue in the third week of Dec. Agriwatch expects market to stay steady to slightly firm this week as supply demand side is almost normal. Market may start moving up after December settlement. Medium term outlook remains firm. Majority of stock is in strong hands and they intend to retain half of their stock till January. However, higher area coverage and lower demand for oil from overseas market may restrict one way bull- run . Production prospect is good and stock is ample. Expectation of early arrival too weighs 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 first week in Dessa. Arrivals in mandis will be at lower ebb as prices are ruling at lower level. Demand for seed is expected by the end of this month that may support cash market price.. 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.

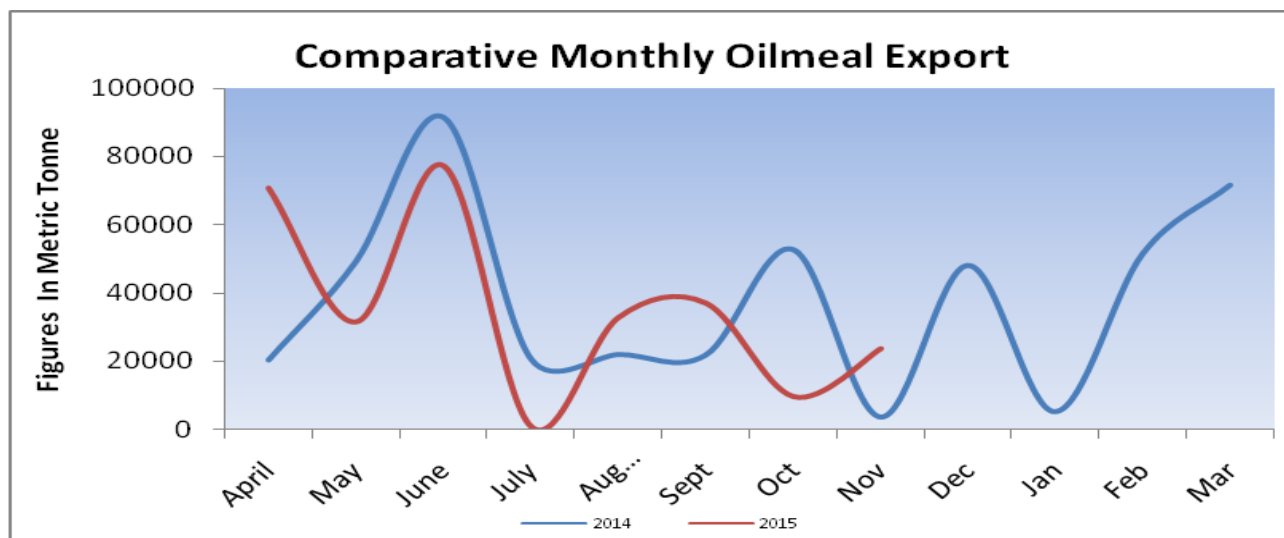
Castor Oil Export Trend:



Source: IBIS/Agriwatch

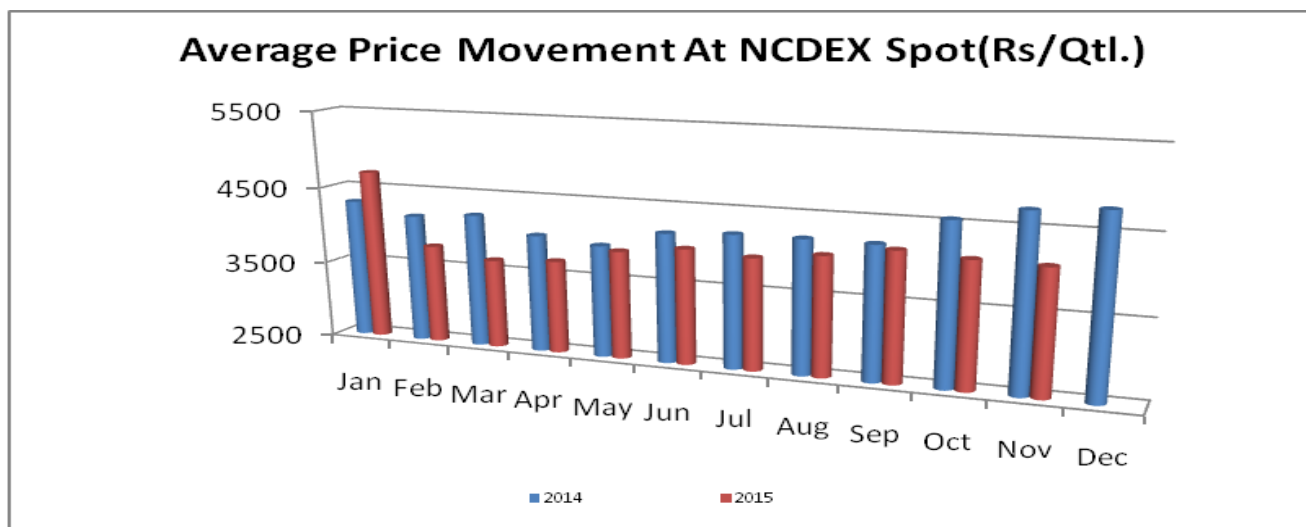
The above given bar chart shows that castor oil export volume continued to rise from the beginning of this MY in comparison to 2014-15. Castor oil export during week ending 22nd Nov was registered higher by 392 % to 19364.4 tonne at an Average FoB price of \$1351.52 per T. India had exported 3935 tonne 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.

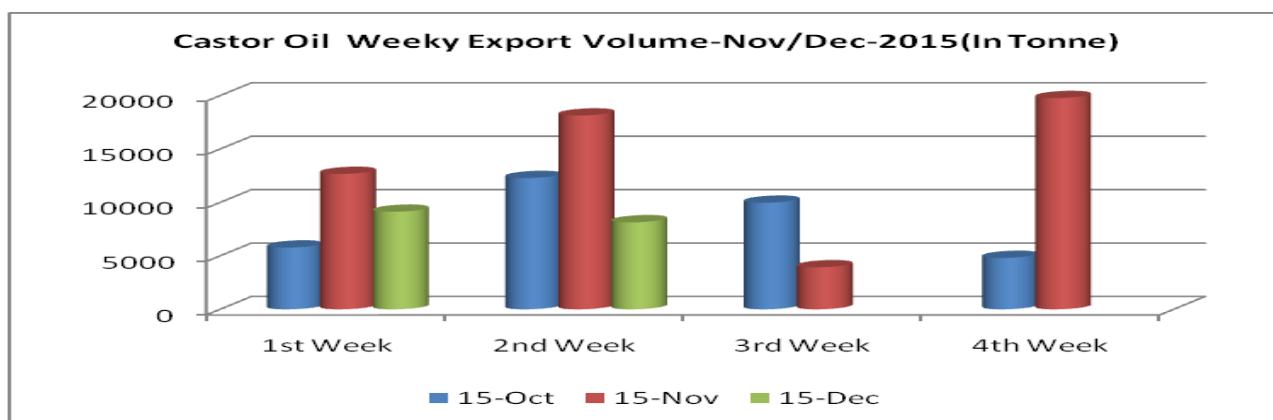
Yearly Average Price Variations At NCDEX Spot :



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 Nov/Dec-2015



Cash Market Price Outlook For Deesa Spot

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	3650-3700	3700-3750
Medium Term (30 days)	3750-3800	3800-3850

Comparative Prices Of Castor Products Including Seed

	11th Dec '15	04th Dec '15	10th Nov'15	11th Dec '14	Change
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	38250	40000	NA	44671	-16.79
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	97	98	NA	136	-40.21
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	6250	6200	NA	8146	-30.34
Castor Oil (First Grade) FOB Kandla (Export)\$/Tonne	1210	1230	NA	1457	-20.41
Local rates for oil in domestic market(Rs./M.T.) for comm.	80000	82300	NA	86635	-8.29

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 below 9 and 18 days EMAs denotes weak market.
- Stake holders may go for buying above 3880
- The nearest by support is 3860 and first resistance 4041.

Strategy:Buy on dip

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Castor Seed	NCDEX	Jan	3860	3585	3938	4041	4157
Pre-Market Weekly Trade Call*			Call	Entry	T1	T2	SL
Castor Seed	NCDEX	Jan	Buy above	3880	3950	3975	3857

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
		04 Dec. to 10 Dec. 15	27 Nov. to 03 Dec. 15	
Rajasthan	Sumerpur	3592	3646	-54
	Jodhpur	3740	3750	-10
Gujarat	Ahmedabad	3660	3723	-63
	Halvad	3792	3740	52
	Rajkot	3686	3727	-41
	Gondal	3755	3767	-12
	Patan	3904	3892	12
	Harij	3819	3848	-29
	Mehsana	3798	3856	-58

	Kadi	3811	3821	-10
	Deesa	3748	3829	-81
	Bhabar	3778	3830	-52
	Sabarkatha	3833	3863	-30
	Gandhi Nagar	3803	3888	-85
	Junagadh	3823	3798	25
	Dhrol	3705	3662	43

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	Weekly Arrivals (Quintal)		Change
		04 Dec. to 10 Dec. 15	27 Nov. to 03 Dec. 15	
Rajasthan	Sumerpur	604	600	4
	Jodhpur	232	356	-124
Gujarat	Halvad	274	188	86
	Rajkot	750	705	45
	Gondal	795	1513	-718
	Patan	9150	6225	2925
	Harij	975	1650	-675
	Mehsana	640	1240	-600
	Kadi	2684	2256	428
	Deesa	7120	6178	942
	Bhabar	2475	1725	750
	Sabarkatha	255	79	176
	Gandhi Nagar	548	409	139
	Junagadh	170	382	-212
	Dhrol	7	20	-13
		26679	23526	3153

Outlook & Recommendation:

Castor seed market is expected to trade steady to slightly firm in the weeks ahead led by bulls operators' active participation in futures and increasing intention to retain stock at lower level. Stake holders should go for buying in Jan contract above 3880.

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