

Castor Domestic Market Fundamentals: -

Castor seed cash markets traded down by 1.5 % week on week basis during the week under review. More dip from current level is unlikely despite better production prospects and higher stock in private and public warehouses. New arrival is one and a half month away from now and pressure may be felt in March –April – one month earlier than last year. Stake holders, especially stockists may try to drag futures market up in the new year. Demand for oil from importers continues at lower rate and it would continue to support cash market.. Lower seed price may encourage plants to buy seed at current level Cash market is trading in the range of Rs 3600 to Rs 3700 per qtl at this point of time..

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. The clear picture about production would emerge on Castor Conference scheduled to be held on 12/13 February-2016 in Ahmadabad.

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. 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 13th Dec-2015 was registered at 10606.6 tonne, higher by 16.12 % from previous week (9134.37 tonne). India exported at an average FoB price of \$1320.31 per tonne, higher by 1.60 percent from previous week. It had exported 9134.37 tonne oil during the week ended 6th December-2015 at an average price of \$1299.21 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 14 to 15 lakh tonne for 2015-16. However, it is too early to comment about the final size because weather for next two – three months would be crucial for the standing crop..

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 in the medium term.

Call:

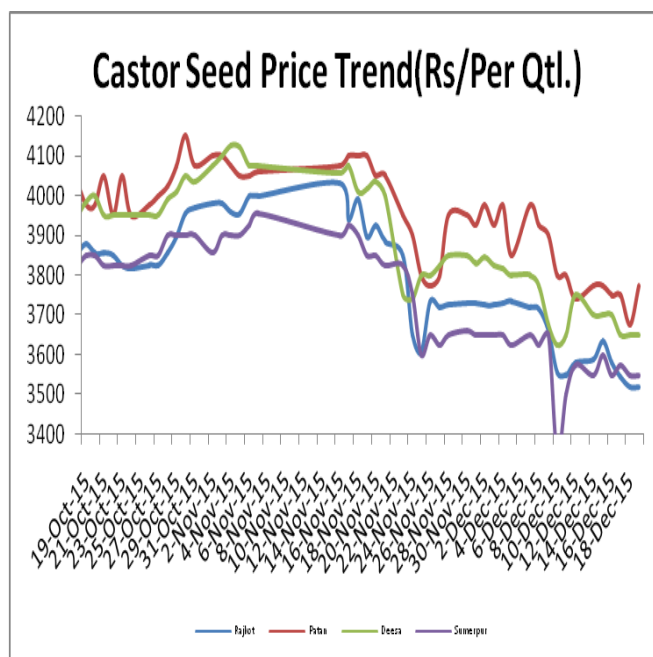
Stake holders may go for Selling below 3800 for the target of 3725 in Jan Contract.

Price Trend:

Markets recovered slightly last week. Recovery is likely to continue in the fourth 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 in January-2016.

Medium term outlook remains firm till February. 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 may weigh on market fundamentals.

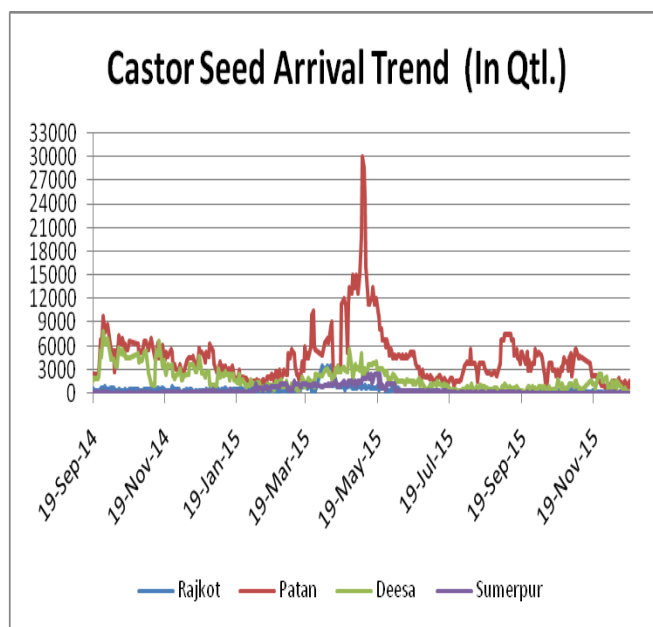


Castor Seed Arrival Chart:

Arrivals of seed decreased in all major markets with declining prices. There is no hope for any recovery at arrival fronts in the weeks ahead until new crop starts hitting the market.

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 Jan-2016.

Stockists would not release stock at lower price and would wait for uptrend at least for two months from now.



Castor Oil Export Trend:

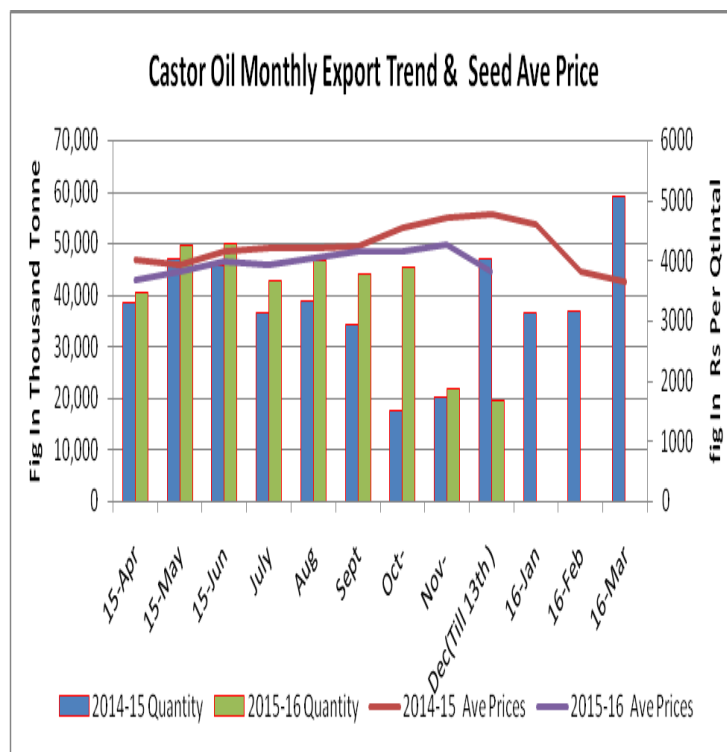
Source: IBIS/Agriwatch

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 13th Dec-2015 increased by 16.8 % from 9134.37 to 10606.6 tonne at an Average FoB price of \$1320.31 per T.

India had exported 9134.37 tonne oil during the week ending 6th Dec-2015. Price realization too has increased by 1.6 percent last week.

As prices of seed are expected to decrease, FoB quotes are bound to trade weak once again in the near term.

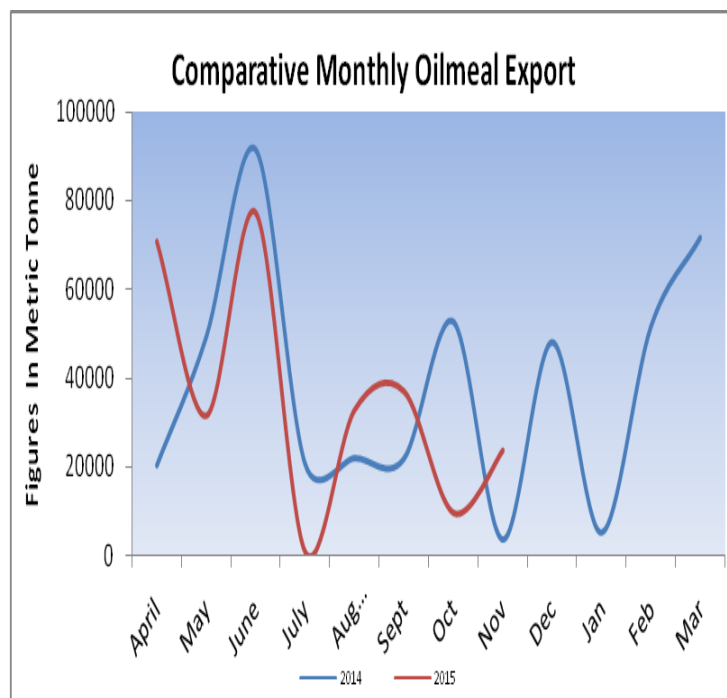


Castor Meal Export:

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.

December data for castor oil export is awaited .



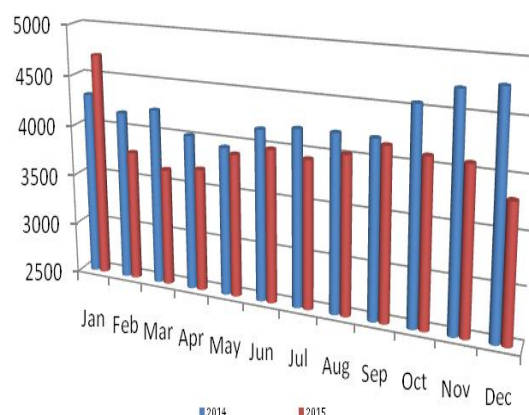
Yearly Average Price Variations At NCDEX Spot :

Note: Average Price: Till 21 Dec-2015

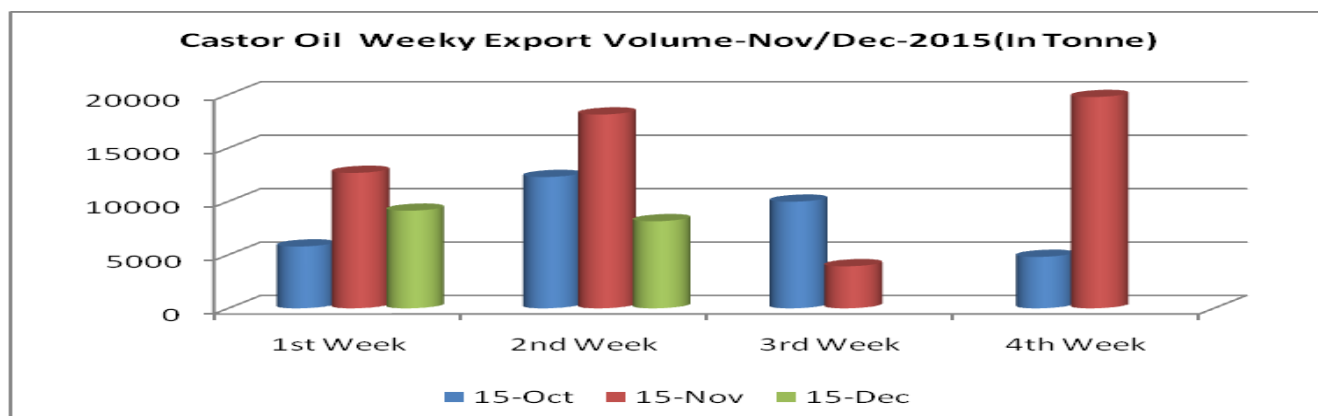
Castor seed prices continue to trade week and it is ruling 4.75 percent lower by the price registered in December -2015.

Recovery is expected in January-2016. There is no hope for any bull run at current price. As market is ruling lower so recovery is expected.

Average Price Movement At NCDEX Spot(Rs/Qtl.)



Castor Oil Weekly Export Volume Nov/Dec-2015



Cash Market Price Outlook For Deesa Spot

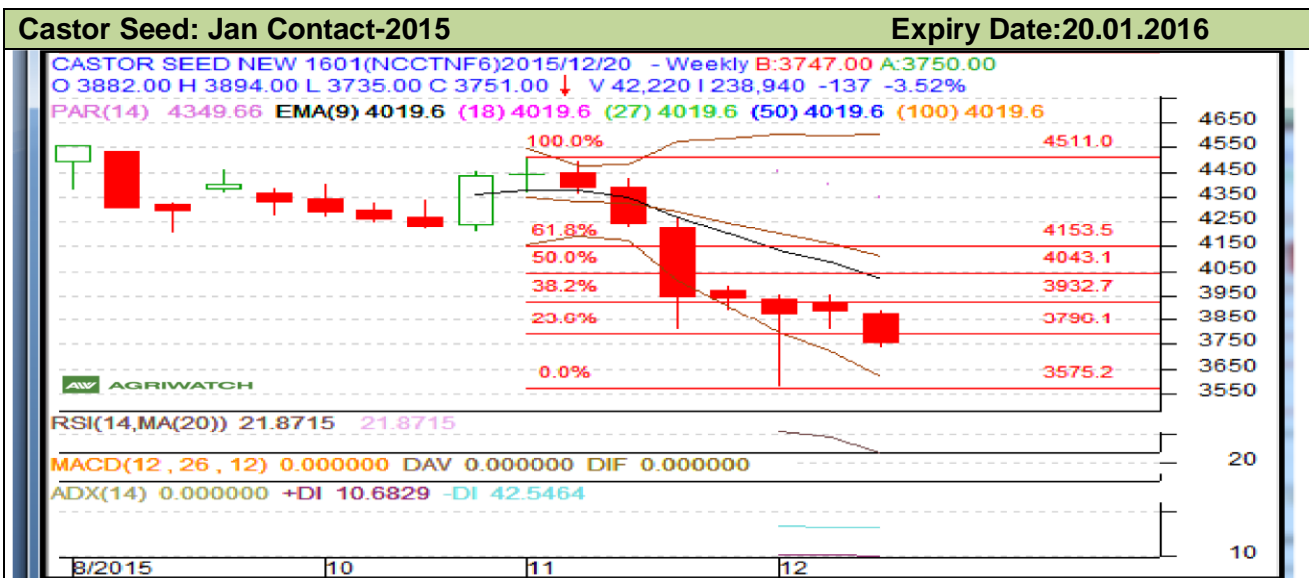
Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	3600-3650	3650-3700
Medium Term (30 days)	3700-3725	3725-3750

Comparative Prices Of Castor Products Including Seed					
	18th Dec '15	11th Dec '15	18th Nov'15	18th Dec '14	Change
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	38000	38250	41500	44671	-17.56
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	95	97	100	136	-43.16

EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	6250	6250	6500	8146	-30.34
Castor Oil (First Grade) FOB Kandla (Export)\$/Tonne	1185	1210	1280	1457	-22.95
Local rates for oil in domestic market(Rs./M.T.) for comm.	79000	80000	86500	86635	-9.66

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 selling below 3800
- The nearest by support is 3725 and first resistance 3932.

Strategy :Sell on Rise

Intraday Supports & Resistances			S1	S2	PCP	R1	R2
Castor Seed	NCDEX	Jan	3725	3575	3749	3932	4043
Pre-Market Weekly Trade Call*			Call	Entry	T1	T2	SL
Castor Seed	NCDEX	Jan	Buy above	3800	3750	3725	3815

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 Center	Market	Price (Rs/ Quintal)		Change
		11 Dec. to 17 Dec. 15	04 Dec. to 10 Dec. 15	
Rajasthan	Sumerpur	3558	3592	-34
	Jodhpur	3725	3740	-15
Gujarat	Ahmedabad	3640	3660	-20
	Halvad	3654	3792	-138
	Rajkot	3580	3686	-106
	Gondal	3659	3755	-96
	Patan	3765	3904	-139
	Harij	3721	3819	-98
	Mehsana	3691	3798	-107
	Kadi	3702	3811	-109
	Deesa	3691	3748	-57
	Bhabar	3717	3778	-61
	Sabarkatha	3729	3833	-104
	Gandhi Nagar	3708	3803	-95
	Junagadh	3691	3823	-132

	Dhrol	NA	3705	-
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Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		17-Dec-15	10-Dec-15	17-Nov-15	17-Dec-14
Rajasthan	Sumerpur	3575	3350	3925	4050
	Jodhpur	3700	NR	4080	4100
Gujarat	Ahmedabad	NA	NA	NA	4650
	Halvad	3800	3800	3975	NA
	Rajkot	3545	3555	3940	4080
	Gondal	3630	3655	4005	4180
	Patan	3750	3800	4100	4580
	Harij	3690	3650	4090	NA
	Mehsana	3700	3625	4050	4350
	Kadi	3700	3655	Closed	4450
	Deesa	3650	3625	4075	4620
	Bhabar	3675	3615	4075	NA
	Sabarkatha	3700	3700	4100	NA
	Gandhi Nagar	3700	3650	4100	NA
	Junagadh	3670	NR	3990	NA
	Dhrol	NA	NA	NR	NA

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	Weekly Arrivals (Quintal)		Change
		11 Dec. to 17 Dec. 15	04 Dec. to 10 Dec. 15	
Rajasthan	Sumerpur	448	604	-156
	Jodhpur	136	232	-96
Gujarat	Halvad	240	274	-34
	Rajkot	780	750	30
	Gondal	970	795	175
	Patan	7532	9150	-1618
	Harij	1313	975	338
	Mehsana	504	640	-136
	Kadi	4880	2684	2196
	Deesa	2722	7120	-4398
	Bhabar	1583	2475	-892
	Sabarkatha	323	255	68
	Gandhi Nagar	713	548	165
	Junagadh	200	170	30
	Dhrol	NA	7	-

		22344	26679	-4335
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Outlook & Recommendation:

Castor seed market is expected to trade under pressure this week and stake holders should go for selling above 3800 for the target of 3725. Recovery in the market is expected in January-2016.

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