

Castor Domestic Market Fundamentals:

Castor seed cash markets traded down by 1.0 % 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 3500 to Rs 3600 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. Last week India exported over 15000 tonne oil. 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 20th Dec-2015 was registered at over 15000 tonne, higher by 47 % from previous week (10606.6 tonne). India exported at an average FoB price of \$1334.34 per tonne, higher by 1.16 percent from previous week. It had exported 10606.6 tonne oil during the week ended 6th December-2015 at an average price of \$1320 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 weak in the short to medium term. Bulk buyers should go for selling in January contract. Agriwatch expects market to move down in the first week of January. Castor oil importers may enter into the market once again at lower level. As new crop is two months 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 after mid January-2016

Call:

Stake holders may go for Selling below 3860 for the target of 3725 in Jan Contract.

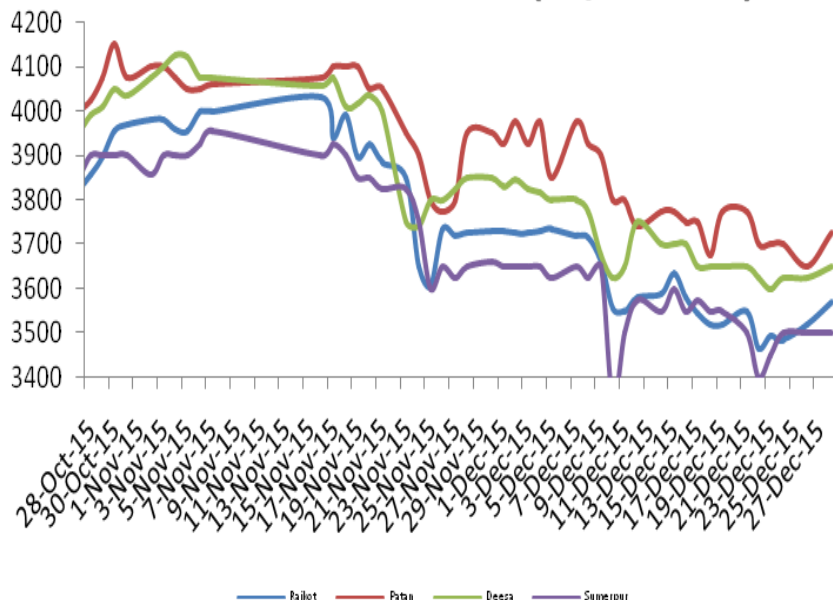
Price Trend:

Markets recovered slightly last week. Recovery is likely to continue in the first week of Jan-2016 too. 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(Jan-Feb) outlook remains firm. Majority of stock is in strong hands and they intend to retain half of their stock till January-mid Feb-2016.

However, higher area coverage and normal 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. In peak arrival season market may dip below Rs3000 per qtl.

Castor Seed Price Trend(Rs/Per Qtl.)



Castor Seed Arrival Chart:

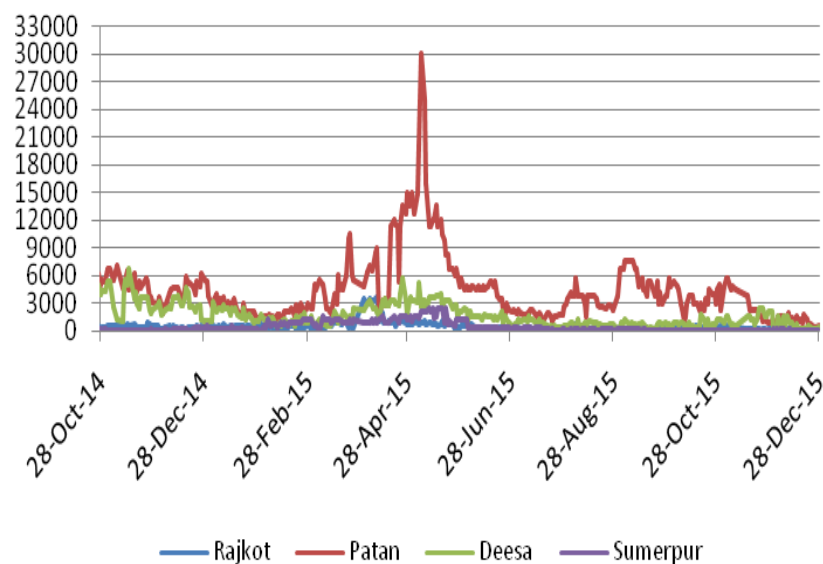
Arrivals of seed decreased in all major markets with declining prices. There is no hope for any recovery at arrival fronts in the weeks ahead until new crop starts hitting the market.

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-mid Feb-2016.

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

In decreasing trend sellers have preferred to wait for one and half month.

Castor Seed Arrival Trend (In Qtl.)



Castor Oil Export Trend:

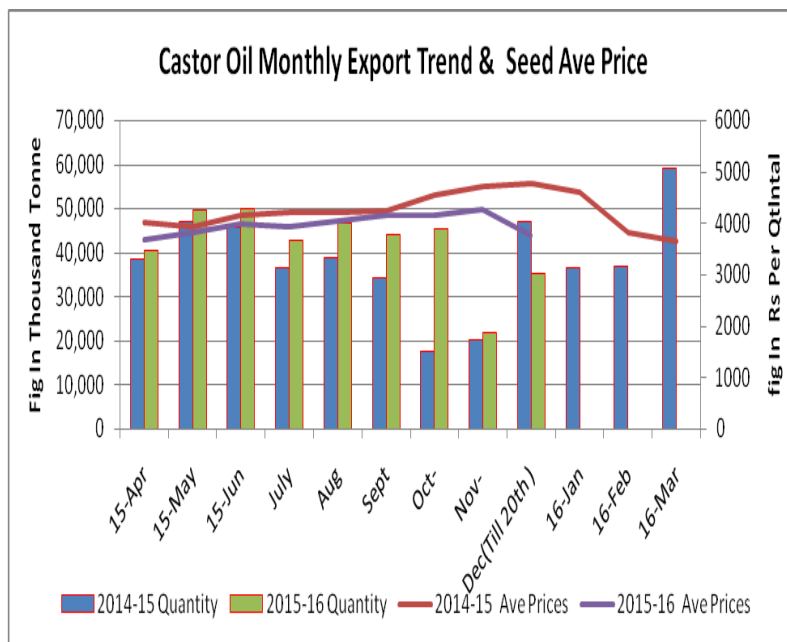
Source: IBIS/Agriwatch

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 20th Dec-2015 increased by 47 % from 10606.6 to 15693.28 tonne at an Average FoB price of \$1335.78 per T.

India had exported 35434.25 tonne oil in last three weeks in Dec-2015. Price realization too has increased by 1.16 percent last week.

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



IBIS/Agriwatch

Source:

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.

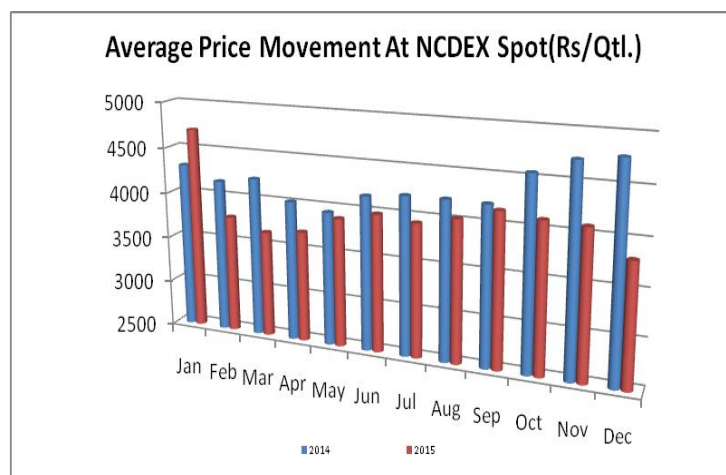
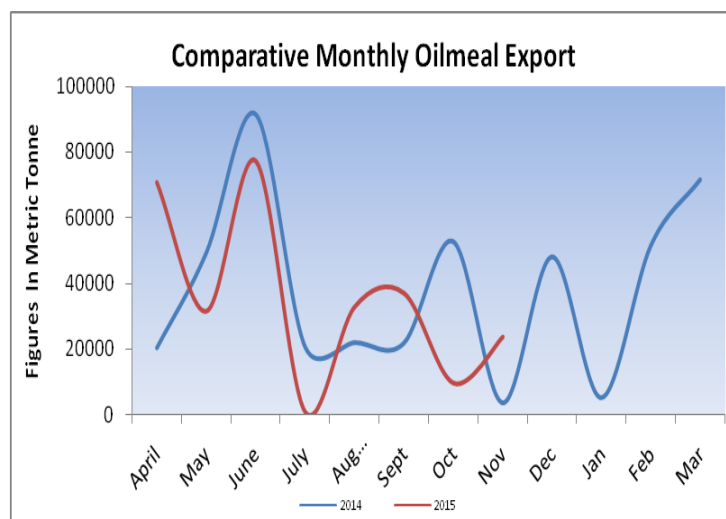
December data for castor oil export is awaited .

Yearly Average Price Variations At NCDEX Spot :

Note: Average Price: Till 28 Dec-2015

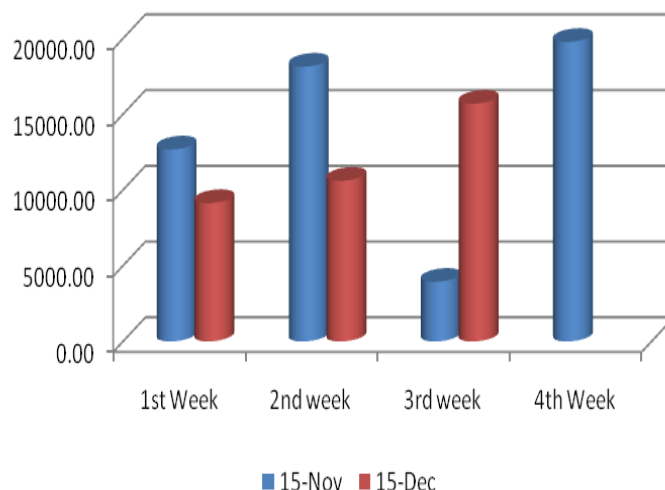
Castor seed prices continue to trade weak and it is ruling 4.85 percent lower by the price registered in December -2015.

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.



Castor Oil Weekly Export Volume Dec-2015:

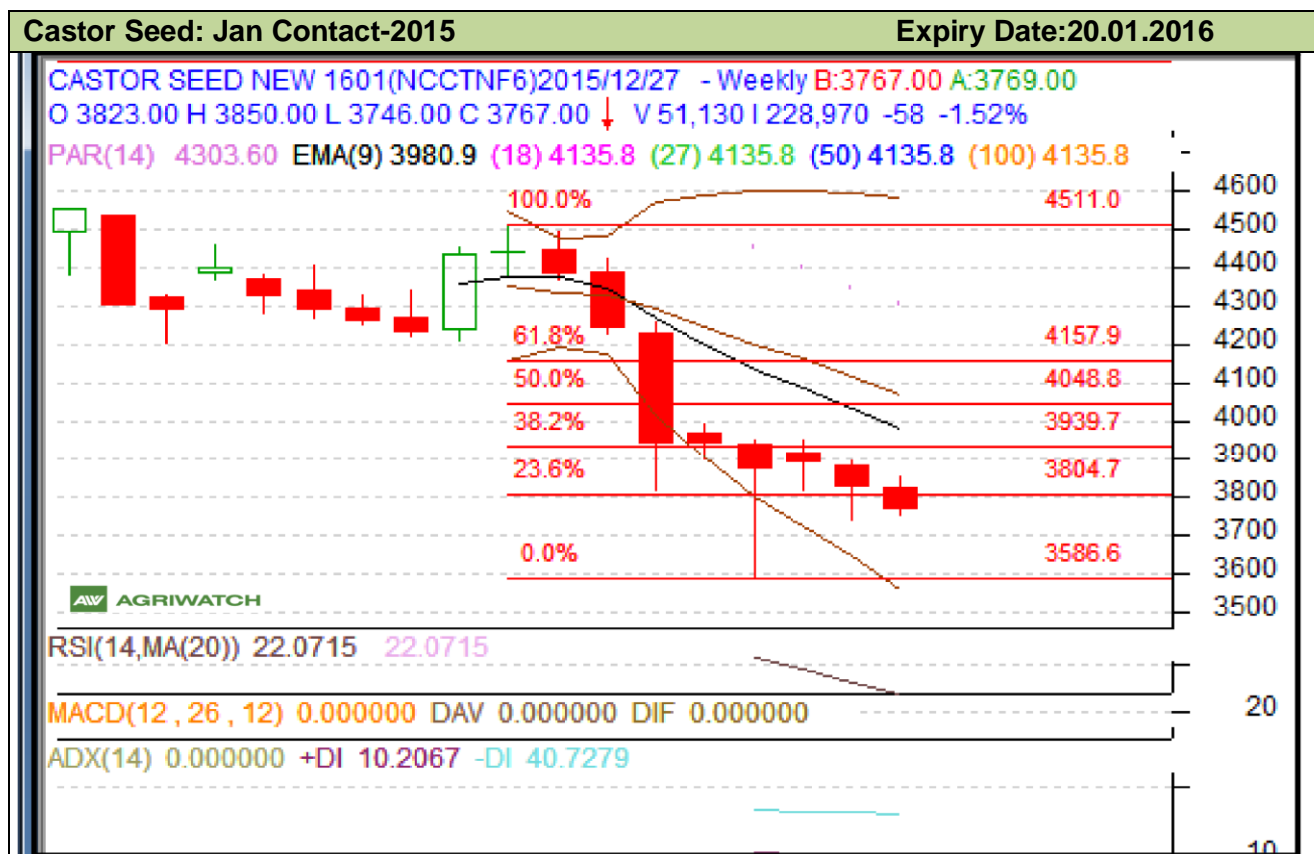
| Fig In Tonne | 15-Nov | 15-Dec |
|--------------|----------|----------|
| 1st Week | 12675.93 | 9134.37 |
| 2nd week | 18139.40 | 10606.60 |
| 3rd week | 3935.43 | 15693.28 |
| 4th Week | 19775.00 | |

Castor Oil Weekly Export(In Tonne)

Cash Market Price Outlook For Deesa Spot

| Expected Range | Rs/Qtl.(Low) | Rs /Qtl.(High) |
|-----------------------|--------------|----------------|
| Short term (15 days) | 3500-3550 | 3550-3600 |
| Medium Term (30 days) | 3600-3650 | 3650-3700 |

| Comparative Prices Of Castor Products Including Seed | | | | | |
|--|--------------|--------------|-------------|--------------|--------|
| | 23rd Dec '15 | 18th Dec '15 | 23rd Nov'15 | 23rd Dec '14 | Change |
| Castorseed (Gujarat)((Rs./M.T) Ex-Mandi | 37500 | 38000 | 41000 | 44671 | -19.12 |
| Castor Meal Export (FAS) (US\$ / MT),Ex Kandla | 93 | 95 | 100 | 136 | -46.24 |
| EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla | 6000 | 6250 | 6500 | 8146 | -35.77 |
| Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne | 1160 | 1185 | 1275 | 1457 | -25.6 |
| Local rates for oil in domestic market(Rs./M.T.) for comm. | 78000 | 79000 | 85000 | 86635 | -11.07 |

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 3860
- The nearest by support is 3725 and first resistance 3939.

Strategy :Sell on Rise

| Intraday Supports & Resistances | | | S1 | S2 | PCP | R1 | R2 |
|---------------------------------|-------|-----|------------|-------|------|------|------|
| Castor Seed | NCDEX | Jan | 3725 | 3575 | 3773 | 3896 | 3939 |
| Pre-Market Weekly Trade Call* | | | Call | Entry | T1 | T2 | SL |
| Castor Seed | NCDEX | Jan | Sell Below | 3860 | 3750 | 3725 | 3895 |

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 |
|------------------|---------------|------------------------------|------------------------------|---------------|
| | | 18 Dec. to 24 Dec. 15 | 11 Dec. to 17 Dec. 15 | |
| Rajasthan | Sumerpur | 3492 | 3558 | -66 |
| | Jodhpur | 3658 | 3725 | -67 |
| Gujarat | Ahmedabad | 3360 | 3640 | -280 |
| | Halvad | 3621 | 3654 | -33 |
| | Rajkot | 3506 | 3580 | -74 |
| | Gondal | 3655 | 3659 | -4 |
| | Patan | 3721 | 3765 | -44 |
| | Harij | 3639 | 3721 | -82 |
| | Mehsana | 3629 | 3691 | -62 |
| | Kadi | 3653 | 3702 | -49 |

| | | | | |
|--|--------------|------|------|------------|
| | Deesa | 3629 | 3691 | -62 |
| | Bhabar | 3635 | 3717 | -82 |
| | Sabarkatha | 3630 | 3729 | -99 |
| | Gandhi Nagar | 3647 | 3708 | -61 |
| | Junagadh | 3635 | 3691 | -56 |
| | Dhrol | 3608 | NA | - |

Week on Week Price: Scenario of Castor Seed :

| Commodity | Market | Today | Week ago | Month ago | Year ago |
|------------------|--------------|-----------|-----------|-----------|-----------|
| Center | | 24-Dec-15 | 17-Dec-15 | 24-Nov-15 | 24-Dec-14 |
| Rajasthan | Sumerpur | 3500 | 3575 | Closed | 4200 |
| | Jodhpur | 3640 | 3700 | Closed | 4100 |
| Gujarat | Ahmedabad | NA | NA | 3925 | 4900 |
| | Halvad | 3575 | 3800 | 3850 | NA |
| | Rajkot | 3485 | 3545 | 3850 | 4255 |
| | Gondal | Closed | 3630 | 3880 | 4235 |
| | Patan | 3700 | 3750 | 3950 | 4660 |
| | Harij | 3625 | 3690 | 3975 | NA |
| | Mehsana | 3600 | 3700 | 3960 | 4425 |
| | Kadi | 3640 | 3700 | 3950 | 4610 |
| | Deesa | 3625 | 3650 | 3750 | 4755 |
| | Bhabar | 3610 | 3675 | 3950 | NA |
| | Sabarkatha | Closed | 3700 | 3975 | NA |
| | Gandhi Nagar | Closed | 3700 | 3975 | NA |
| | Junagadh | 3550 | 3670 | 3950 | 4125 |
| | Dhrol | NA | NA | NA | NA |

Castor Seed Cumulative Arrivals in Key Centers:

| Center | Market | Weekly Arrivals (Quintal) | | Change |
|------------------|----------|---------------------------|-----------------------|--------------|
| | | 18 Dec. to 24 Dec. 15 | 11 Dec. to 17 Dec. 15 | |
| Rajasthan | Sumerpur | 320 | 448 | -128 |
| | Jodhpur | 304 | 136 | 168 |
| Gujarat | Halvad | 300 | 240 | 60 |
| | Rajkot | 870 | 780 | 90 |
| | Gondal | 708 | 970 | -262 |
| | Patan | 5813 | 7532 | -1719 |
| | Harij | 750 | 1313 | -563 |

| | | | | |
|--|--------------|--------------|--------------|--------------|
| | Mehsana | 548 | 504 | 44 |
| | Kadi | 4320 | 4880 | -560 |
| | Deesa | 1720 | 2722 | -1002 |
| | Bhabar | 1022 | 1583 | -561 |
| | Sabarkatha | 154 | 323 | -169 |
| | Gandhi Nagar | 465 | 713 | -248 |
| | Junagadh | 380 | 200 | 180 |
| | Dhrol | 10 | NA | - |
| | | 17684 | 22344 | -4660 |

Outlook & Recommendation:

Castor seed market is expected to trade under pressure this week and stake holders should go for selling above 3860 for the target of 3725. Recovery in the market is expected in mid January-2016.

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