

**Castor Domestic Market Fundamentals:**

Castor seed all India average price recovered slightly by 2.83% to Rs 3445.77 per qtl week on week basis. It was being traded at Rs 3350.74 per qtl. during the week ended 20<sup>th</sup> Dec-2015. 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 once again. Demand for oil from importers continues at lower rate and it would continue to support cash market. Any bull run is unlikely now.

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. 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 27<sup>th</sup> Dec-2015 was registered at over 7125.44 tonne, lower by 54.60 % from previous week (15693.28 tonne). India exported at an average FoB price of \$1333.09 per tonne, lower by 0.20 percent from previous week. It had exported 15693.28 tonne oil during the week ended 20<sup>th</sup> December-2015 at an average price of \$1335.78 per tonne.

**Progressive Area Coverage: -**

Area coverage during kharif 2015 till 8<sup>th</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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 second 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 3790 for the target of 3720 in Jan Contract.

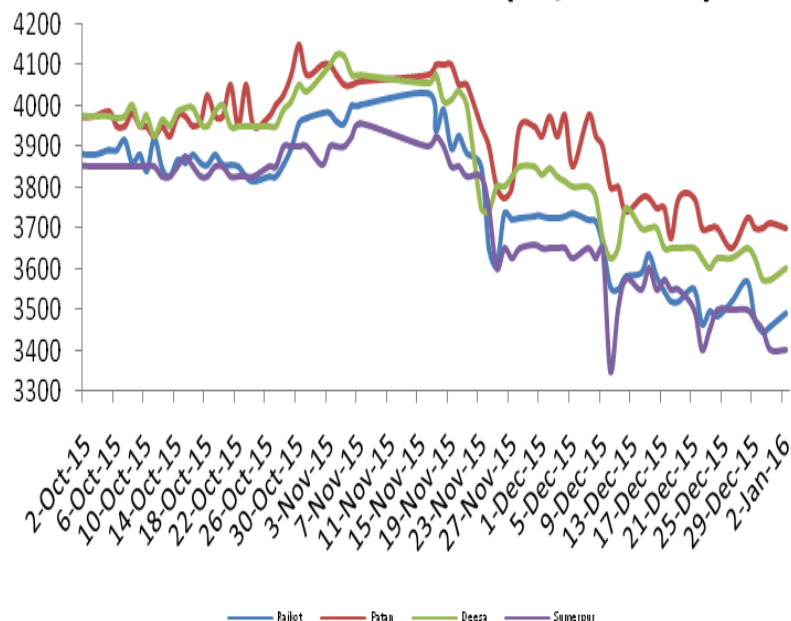
### Price Trend:

Markets recovered slightly last week. Recovery is likely to continue in the second week of Jan-2016 too to some extent. Agriwatch expects market to stay steady to slightly firm this week as supply demand side is almost balanced. Market may start moving up from mid-January-2016.

Medium term (Feb-March) outlook remains firm but in a restricted way. Majority of stock is in strong hands and they intend to retain half of their stock till January-mid Feb-2016 to get maximum benefit before new crop hits the market.

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:

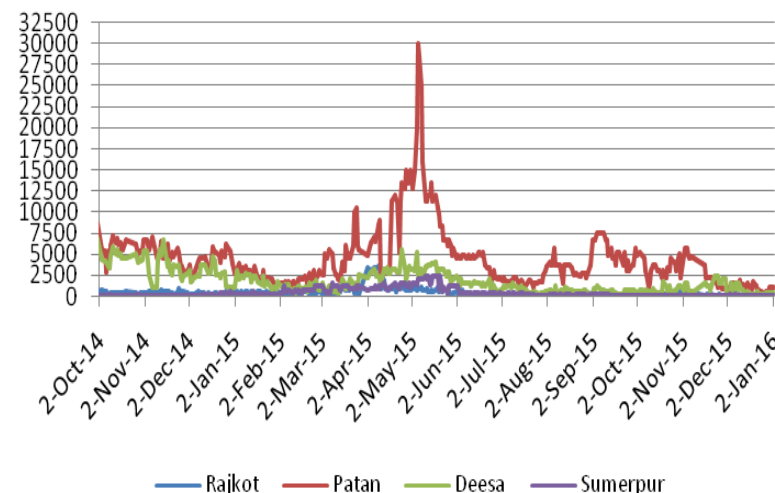
Arrivals of seed decreased in all major markets with declining prices. There is no hope for any recovery at arrival fronts in the weeks ahead until new crop starts hitting the market.

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. Slight decrease has been seen in December-2015. Total export in Dec-15 (till 27<sup>th</sup>) was registered at 42559.72 tonne. In December-14 India had exported around 47 000 tonne.

Castor oil export during week ending 27<sup>th</sup> Dec-2015 decreased by 54.60 % from 15693.28 to 7125.44 tonne at an Average FoB price of \$1333.09 per T.

India exported around 42559 tonne oil in Dec-2015. Price realization too has increased by 0.20 percent last week.

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

Source: IBIS/Agriwatch

### 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.

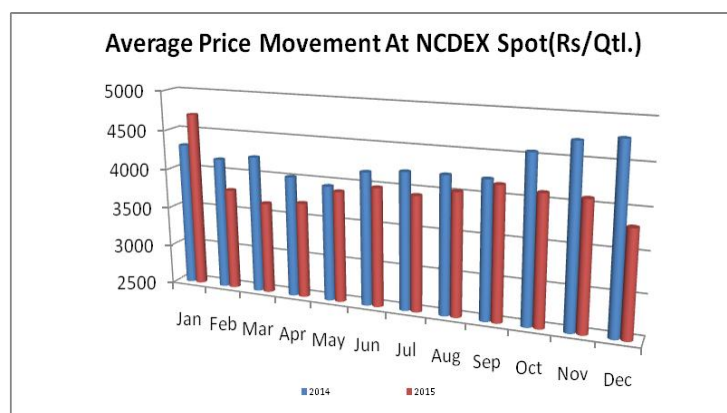
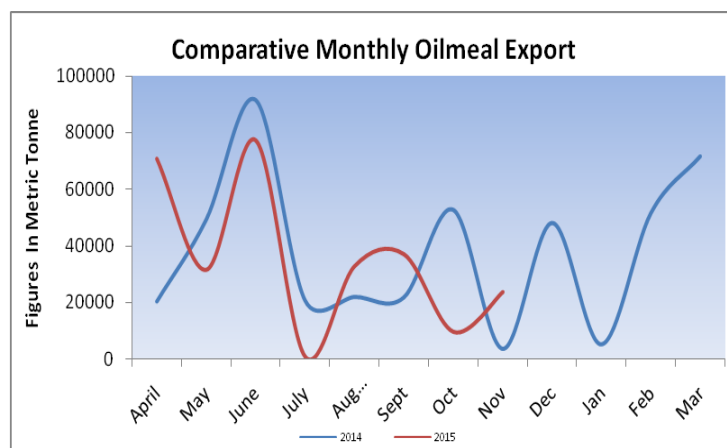
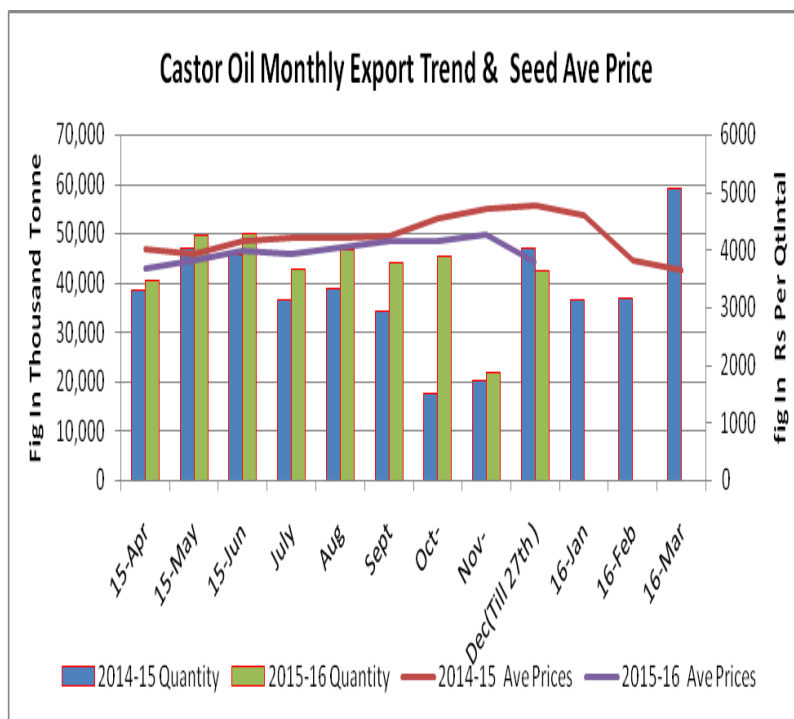
FOB quotes for meal has increased slightly this week from \$112 to \$114 per tonne. France bought 208.9 tonne meal last week at an ave price of \$164.65 per tonne.

December data for castor oil export is awaited.

### Yearly Average Price Variations At NCDEX Spot :

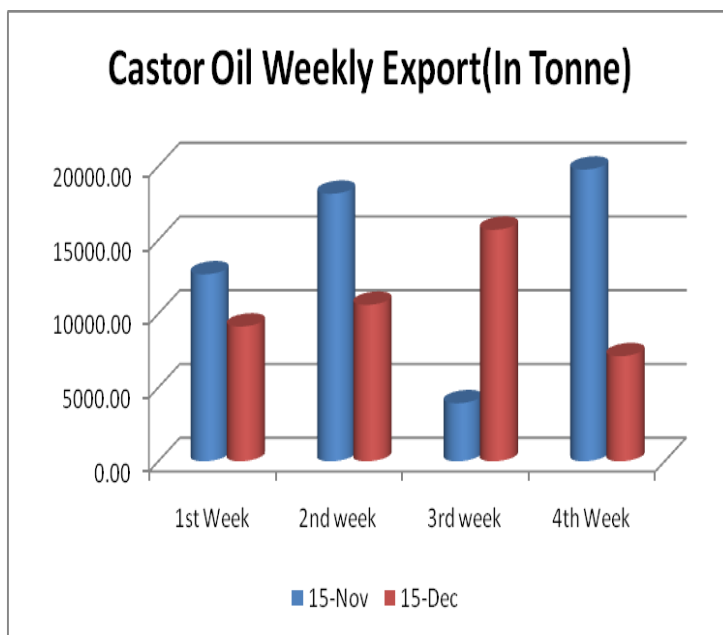
Note: Average Price: Till 04<sup>th</sup> Jan-2015

Castor seed prices continued to trade weak and bearish tone is likely in the medium term. Slight recovery at current price is expected. Average price registered at Rs3806.2 per qtl.



**Castor Oil Weekly Export Volume:**

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	7125.44


**Cash Market Price Outlook For Deesa Spot**

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	3450-3500	3500-3550
Medium Term (30 days)	3550-3600	3600-3650

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:**
**Castor – Technical Outlook**
**Technical Commentary:**

- Candlestick depicts weakness in the market.
- RSI is moving down in neutral region, cautions to the bears.
- Prices closed below 9 and 18 days EMAs.
- Decrease in prices with lower volume and OI indicates short build up.

**Castor prices are likely to trade down on this week.**


**Strategy: Sell On Rise**

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	Jan	3578	3670	3693	3812	3867
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Jan	<b>Sell Below</b>	3750	3700	3675	3768

**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

<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

**Castor Seed Weekly Prices at Key Spot Markets:**

Commodity	Market	Price (Rs/ Quintal)		Change
		25 Dec. to 31 Dec. 15	18 Dec. to 24 Dec. 15	
<b>Rajasthan</b>	Sumerpur	3471	3492	<b>-21</b>
	Jodhpur	3647	3658	<b>-11</b>
<b>Gujarat</b>	Ahmedabad	3530	3360	<b>170</b>
	Halvad	3554	3621	<b>-67</b>
	Rajkot	3494	3506	<b>-12</b>
	Gondal	3544	3655	<b>-111</b>
	Patan	3697	3721	<b>-24</b>
	Harij	3620	3639	<b>-19</b>
	Mehsana	3551	3629	<b>-78</b>
	Kadi	3604	3653	<b>-49</b>
	Deesa	3606	3629	<b>-23</b>
	Bhabar	3593	3635	<b>-42</b>
	Sabarkatha	3581	3630	<b>-49</b>
	Gandhi Nagar	3625	3647	<b>-22</b>
	Junagadh	3557	3635	<b>-78</b>
	Dhrol	3517	3608	<b>-91</b>

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

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		31-Dec-15	24-Dec-15	30-Nov-15	31-Dec-14
<b>Rajasthan</b>	Sumerpur	3400	3500	3650	4000
	Jodhpur	3650	3640	3790	4100
<b>Gujarat</b>	Ahmedabad	NA	NA	NA	4600
	Halvad	3550	3575	3750	NA
	Rajkot	3460	3485	3725	4215
	Gondal	3505	Closed	3830	4255
	Patan	3710	3700	3950	4625
	Harij	3600	3625	3825	NA
	Mehsana	3525	3600	3860	4375



	Kadi	3600	3640	Closed	4500
	Deesa	3575	3625	3850	5000
	Bhabar	3575	3610	3840	NA
	Sabarkatha	3550	Closed	3875	NA
	Gandhi Nagar	3625	Closed	3900	NA
	Junagadh	Closed	3550	3850	4195
	Dhrol	3550	NA	3600	NA

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

Center	Market	Weekly Arrivals (Quintal)		Change
		25 Dec. to 31 Dec. 15	18 Dec. to 24 Dec. 15	
Rajasthan	Sumerpur	400	320	80
	Jodhpur	152	304	-152
Gujarat	Halvad	750	300	450
	Rajkot	875	870	5
	Gondal	975	708	267
	Patan	3488	5813	-2325
	Harij	825	750	75
	Mehsana	272	548	-276
	Kadi	4188	4320	-132
	Deesa	1680	1720	-40
	Bhabar	1155	1022	133
	Sabarkatha	218	154	64
	Gandhi Nagar	428	465	-37
	Junagadh	155	380	-225
	Dhrol	13	10	3
		<b>15574</b>	<b>17684</b>	<b>-2110</b>

**Outlook & Recommendation:** Castor seed market is expected to trade under pressure this week too and stake holders should go for selling above 3750 for the target of 3700. Recovery in the market is expected after mid January-2016.

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