

### Castor Domestic Market Fundamentals:

Castor seed all India average price continued to recover consecutive two weeks. It increased by 1.94 % to Rs 3350.22 per qtl week on week basis. It was being traded at Rs 3286.37 per qtl. during the week ended 27<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 has started and is expected to increase by mid February-2016. This year arrival is expected to reach its peak in March, one month earlier than normal schedule. Stake holders, especially stockists may try to drag futures market up in the beginning of Feb once again. However, any spike is unlikely due to higher arrivals expected in mandis.

Seed prices are ruling lower by 5.08 % from a year ago and overall bearish sentiment may build up pressure on price in Feb –Mar-2016. Seed price may touch Rs 3000 level when arrival from new crop reaches its peak. As prices are ruling lower oil export is likely to continue with same pace in Feb, Mar and April too. Total export may cross 5 lakh tonne in current MY ending Mar-2016.

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 3<sup>rd</sup> Dec-2016 was registered at over 14339.39 tonne, higher by 101.24 % from previous week (7125.44 tonne). India exported at an average FoB price of \$1334.55 per tonne, up by 0.11 percent from previous week. It had exported 7125.24 tonne oil during the week ended 27<sup>th</sup> December-2015 at an average price of \$1333.09 per tonne.

### Progressive Area Coverage: -

Global Castor Conference is due on 13<sup>th</sup> Feb-2016 in Ahmadabad and picture would be more clear after its crop size assessment.

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.

### Outlook & Recommendation: -

Overall market sentiment remains weak in the short to medium term. Bulk buyers should go for selling in Feb contract. Agriwatch expects market to move down in the third week of January. Castor oil importers may enter into the market once again at lower level. As new crop started hitting the markets, stockists may try to release higher % of old stock in next one month as prices may decrease further. Any unexpected recovery is unlikely and bears would remain active in coming weeks.

Call:

Stake holders may go for Selling below 3650 for the target of 3550 in Feb Contract.

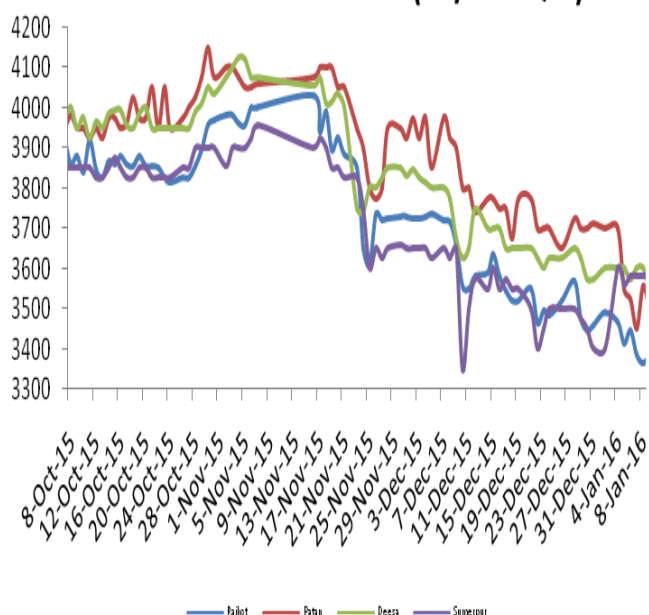
### Price Trend:

Markets traded mixed last week. Any major recovery is unlikely to continue. New crop started hitting the market and it would build up pressure on cash market. Agriwatch expects market to stay steady to slightly weak this week as supply is higher than demand. Old stock are being used for crushing and buyers are unwilling to buy new crop as current prices.

Medium term (Feb-March) outlook remains weak. Market may touch 3000 level in March –April-2016. Major stock holders, sensing the weak tone and good production prospect, have started releasing old stock. New arrival and release from major stock holders would continue to drag market down in coming weeks.

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.

### Castor Seed Price Trend(Rs/Per Qtl.)



### Castor Seed Arrival Chart:

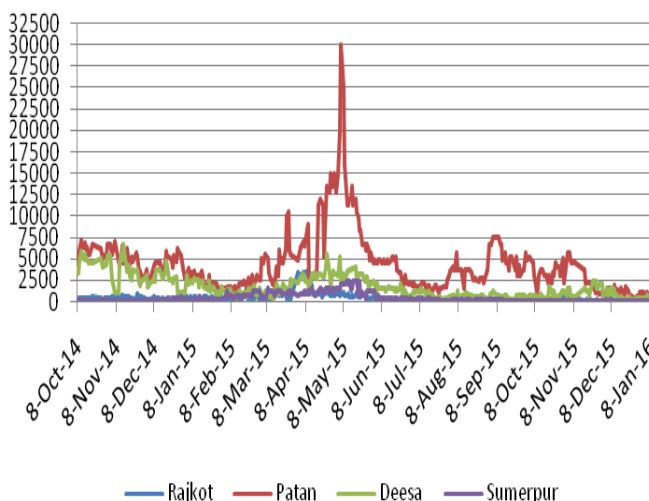
Arrivals of seed decreased in all major markets with declining prices. There is no hope for any recovery at arrival fronts in the weeks ahead until new crop starts hitting the market.

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 smaller stockists have preferred to wait for one and half month more in expectation of recovery.

### Castor Seed Arrival Trend (In Qtl.)



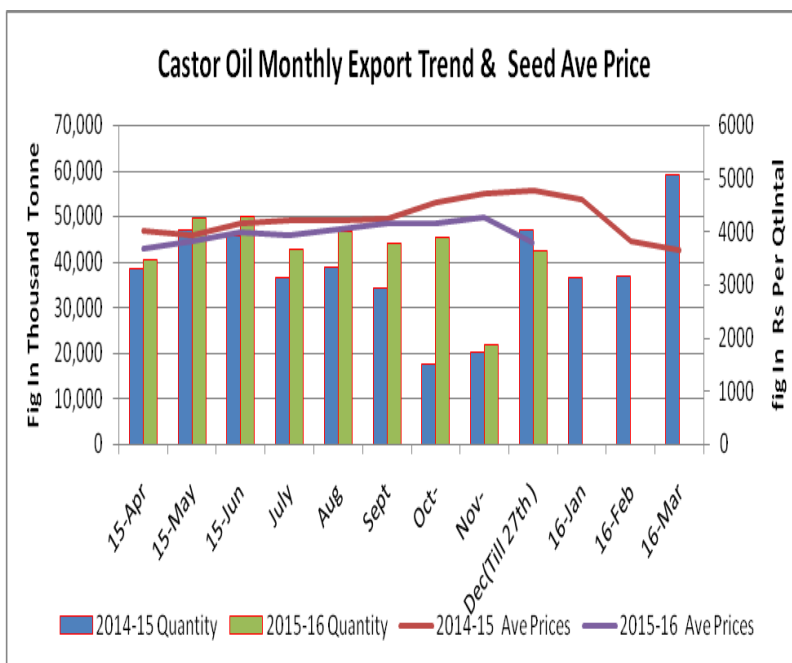
### Castor Oil Export Trend:

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 3<sup>d</sup> Jan-2016 increased by 101.24 % from 7125.44 tonne to 14339.39 tonne at an Average FoB price of \$1334.55 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.



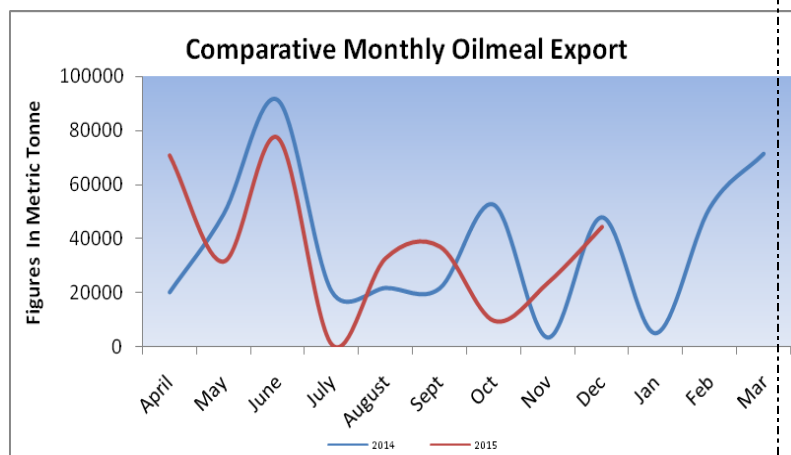
Source: IBIS/Agriwatch

### Castor Meal Export:

Castor meal export volume decreased by 7.18 % percent in Dec-2015 in comparison to Dec-2014 and is likely to increase in the weeks ahead as seed prices have decreased and availability would increase.

FOB quotes for meal has decreased slightly Dec from \$114 to \$112 per tonne

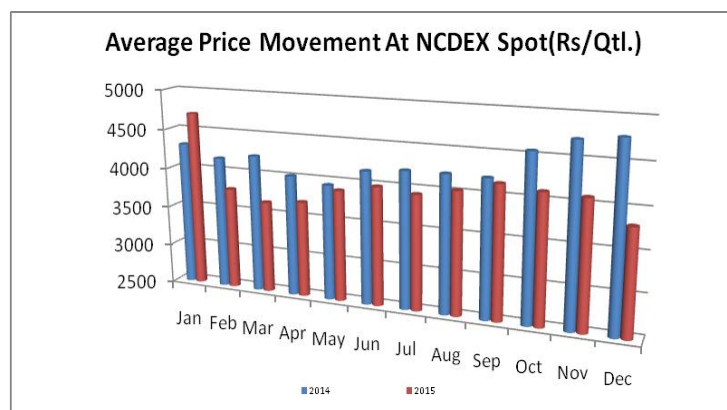
More dip is expected in January-2016.



### Yearly Average Price Variations At NCDEX Spot :

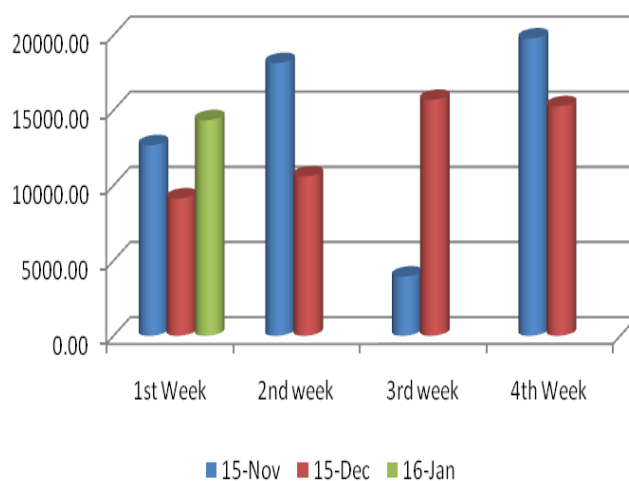
Note: Average Price: Till 07<sup>th</sup> Jan-2015

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	16-Jan
1st Week	12675.93	9134.37	14339.39
2nd week	18139.40	10606.60	
3rd week	3935.43	15693.28	
4th Week	19775.00	15265.94	

**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)	3450-3500	3500-3550
Medium Term (30 days)	3550-3600	3600-3650

**Comparative Prices Of Castor Products Including Seed**

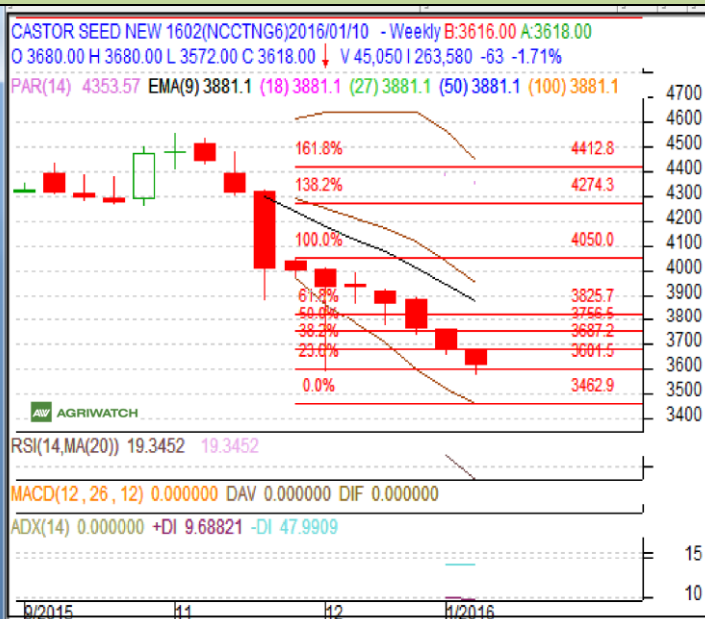
	8th Jan '16	31 <sup>st</sup> Dec '15	8 th Dec'15	Jan '15	Change
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	36600	38000	40250	43765	-16.37
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	88	90	98	133	-33.83
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	5800	6000	6300	7909	-26.67
Castor Oil (First Grade) FOB Kandla (Export)\$/Tonne	1100	1150	1220	1426	-22.86
Local rates for oil in domestic market(Rs./M.T.) for comm.	76500	77500	82500	87740	-12.81

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	Feb	3462	3619	3619	3681	3758
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Feb	<b>Sell Below</b>	3650	3570	3560	3678

**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			
<b>Total – All India</b>	<b>11.02</b>	<b>10.19</b>	<b>8.15</b>

Source:DES

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

Commodity	Market	Price (Rs/ Quintal)		Change
Center		2 Jan. to 7 Jan. 16	25 Dec. to 31 Dec. 15	
Gujarat	Patan	3585	3697	114
	Harij	3572	3620	-75
	Rajkot	3440	3494	-90
	Gondal	3399	3544	-155
	Deesa	3594	3606	100
	Bhabar	3551	3593	7
	Mehsana	3515	3551	-182
	Kadi	3548	3604	-72
	Sabarkatha	3525	3581	-26
	Gandhi Nagar	3551	3625	-53
	Ahmedabad (Sanand)	3406	3530	-200
	Halvad	3470	3554	-123
	Junagadh	3480	3557	-101
	Dhrol	3500	3517	-125
Rajasthan	Jodhpur	3580	3647	23
	Sumerpur	3388	3471	-129

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

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		7-Jan-16	31-Dec-15	7-Dec-15	7-Jan-15
Gujarat	Patan	3450	3710	3975	4755
	Harij	3575	3600	3860	NR
	Rajkot	3385	3460	3720	4190
	Gondal	3405	3505	3780	4300
	Deesa	3600	3575	3800	4700
	Bhabar	3525	3575	3810	NR
	Mehsana	3475	3525	3850	4375
	Kadi	3500	3600	NR	4450
	Sabarkatha	3475	3550	3850	NR
	Gandhi Nagar	3525	3625	3850	NR
	Ahmedabad (Sanand)	3345	NA	NR	4500



	Halvad	3450	3550	3750	NR
	Junagadh	3500	Closed	3805	4155
	Dhrol	3500	3550	3625	NR
<b>Rajasthan</b>	Jodhpur	3580	3650	3730	4250
	Sumerpur	3400	3400	3650	4200

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

Center	Market	Weekly Arrivals (Quintal)		Change
		2 Jan. to 7 Jan. 16	25 Dec. to 31 Dec. 15	
<b>Gujarat</b>	Patan	4988	3488	-400
	Harij	1051	825	226
	Rajkot	910	875	35
	Gondal	588	975	-387
	Deesa	1920	1680	240
	Bhabar	2057	1155	902
	Mehsana	380	272	108
	Kadi	7032	4188	2844
	Sabarkatha	207	218	-11
	Gandhi Nagar	392	428	-36
	Ahmedabad (Sanand)	69	2	67
	Halvad	488	750	-263
	Junagadh	145	155	-10
	Dhrol	5	13	-9
<b>Rajasthan</b>	Jodhpur	240	152	88
	Sumerpur	360	400	-40
Total Arrivals/Above Markets		<b>20829</b>	<b>15576</b>	<b>5253</b>

**Outlook & Recommendation:** Castor seed market is expected to trade under pressure this week too and stake holders should go for selling above 3650 for the target of 3560. Recovery in the market is unlikely in January-2016.

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