



## Castor Seed

**Buy: >Rs 3950**

**Target Price: Rs 4250-4500**

**Stop Loss: <Rs 3730**

**CMP: Rs 3778 (As on 30<sup>th</sup> Apr, 2015)**

Castor seed is basically a non-edible oilseed that has varied industrial use. Since the commodity is not among major edible crops, it is usually not on scrutiny parameters decided by the government. Thus, castor seed has its own share of high volatility mixed with the right amount of industrial use based speculation.



In recent years, castor seed has demonstrated a large price range. From mere Rs 2500 per quintal in July 2009 to Rs 6050 per quintal in February 2011, castor seed prices showed phenomenal growth amid high demand from various industries. The reasons behind such a volatile fluctuation in prices are the changes in production trend worldwide and its varied usage that ranges from paints, automobiles, plastic, waxes, polishes, inks, dyes, nylon, pharmaceutical, perfumes, soaps and other FMCG products to bio fuel.

As a result, prices can be seen travelling in electrifying swings all over the chart. Presently, prices have just begun holding the ground after a 3 months long falling spree. At fundamental level, supplies in the form of arrivals are also in their last leg, complementing the consolidation seen on technical chart. On weekly chart, a bullish engulfing pattern is indicating a turn of fortunes in days to come. The technical pattern has got good support from rising volume and open interest whereas momentum indicator ADX is slowly getting back in the positive momentum. So, a situation of demand overtaking supply may soon build in days to come as the fresh crop is at a distance of good 7 months at least. Couple this fact with technical chart pattern and you get a great opportunity with very low risk.

**Buy NCDEX Castor seed June contract above Rs 3950 for target in the range of Rs 4250 to Rs 4500. Maintain stop loss below Rs 3730.**



## EURO-ON-AND-ON

### EURINR

Buy: > Rs 70.40 – Rs 70.60

Target Price: Rs Rs 73.70- Rs 74.80

Stop Loss: < below Rs 68.90.

CMP: Rs 71.27(As on 30<sup>th</sup> Apr, 2015)

### Fundamentals:

The current recovery in Euro zone is expected to continue on account of strength in economic data. The industrial production is rebounding, the trade surplus is widening and credit conditions are finally easing. Headline deflationary pressures in the euro zone have also eased this month, underpinned by rising energy and food prices. This combined with monetary stimulus, is forecasted to gradually drive the year-end rate to 0.6% y/y in 2015 and 1.3% in 2016. The ECB intends to fully implement it's roughly €1.1 trillion QE program and has no plans to alter its policy stance unless the higher inflation trend is firmly anchored. Euro zone real GDP growth is expected to advance 1.5% in 2015 and 1.7% in 2016, up from 0.9% in 2014. Nevertheless, while the euro zone's economic outlook has improved, core inflation remains stubbornly low at 0.6% y/y in April and economic challenges persist, with the region still struggling with high unemployment and structural rigidities.

### Technical



### Daily Chart readings

The chart is forming a traditional double bottom trend reversal structure showing a current rebound in the trend is expected to continue. Prices are trading above the short and medium term moving averages showing upside trigger

### Monthly Chart readings

Monthly chart is also indicating on the positive side for short term as:

- Long white candle stick formations is indicating upside
- Prices are sustaining far below the short and medium term moving averages showing rebound
- The momentum indicator RSI is on ascending mode and is expected to cross above its short term moving average confirming upside

From the above reading we recommend buying in EUR-INR May contract at the level of Rs 70.40 – Rs 70.60 for the target of Rs 73.70- Rs 74.80 with stop loss below Rs 68.90.



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