

Castor Domestic Fundamentals:

- **SEBI has turned up the heat on the senior management of NCDEX** for their alleged role in the recent failure/malpractices in castor seed futures trading. It has asked the board of NCDEX to examine the senior management's involvement in the issue and report to the regulator by the month-end the action it plans to take. The matter relates to 13 clients, who held long or outstanding buy positions worth Rs 540 crore or 10 per cent of the country's annual production of castor seed, defaulting on their payin obligations to four brokers, after a crash in the castor seed February contract price.
- **All India average price for castor seed decreased by 3.25 % from Rs 3274.55 to Rs 3168.06 perqtl** during the week ended 21st May-2016. It is slightly higher from the price registered during the first week of May-2016. However, it is lower by 12.10 % from the price registered in May 2015. Buyers are in wait and watch mood and continue to buy at lower level. So any major dip from current level is unlikely.
- **Arrivals in Gujarat have touched at 1lakh bags. Lower seed price affected castor oil price too** and it slipped to Rs 6350/6400 per qtl. Cash market is likely to trade stable to weak in the short term. medium term outlook depends on planting beginning from July this year.
- **Castor seed market in Sumerpur located in region of Rajasthan traded unchanged.** Stockiest remained active as arrival is being reported at 750/850 bags per day. As price is ruling lower, buyers have started accumulating stock in anticipation of higher price in second half of the year. Currently seed price is ruling at Rs 2950/2975 per qtl. Stock in the region is said to be around 2 lakh bags. As arrival has started decreasing, stock would not increase above 3 lakh bags this year.
- **Prospects for good rainfall this year may encourage farmers to reduce castor area and shift to other lucrative crops.** Total area under castor may decrease below 10 lakh ha due to lower price this year. Castor area of around 25,000 ha in Rajasthan and around 50000 ha in Gujarat might be use for other crops.

International Market Update:

- **China brought 6332.16 tonne castor oil at an average FoB of \$978.66 per tonne last week.** USA brought 529.18 tonne oil at an average FoB price of \$1118.17 per tonne..belgium and Japan brought 474 and 469 tonne oil during the same period.
- **Ave castor oil FoB quote increased slightly from \$1079 to \$1098 last week.** China and U.S remained active at current price level.
- **Castor oil importers have made inventory this year taking advantage of lower price and higher availability** and they are in no hurry to buy oil in bulk quantity as they are aware of higher stock. So firmness is unlikely in the short to medium term.

Domestic market Outlook: Market is likely to trade range bound to weak in the short term.

NCDEX Castor Futures							Date: 13.02.2016		
Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Feb-16	-	-	-	-	-	-	-	-	-
Mar-16	-	-	-	-	-	-	-	-	-
Apr-16	-	-	-	-	-	-	-	-	-

Note:Castor Seed Contracts suspended on 27th Jan-2016

Spread	16-Jan	16-Feb	16-Mar
Patan			
Feb-16			
Mar-16			
Apr-16			

NCDEX Warehouse Stocks (in MT):- as on May 23, 2016			
Stocks	Demat	In- Process	Total
Bhabhar	0	0	0
Deesa	463	0	463
Kadi	3880	0	3880
Patan	1786	0	1786

NCDEX Castor FED Wise Stock Position (Qty in MT) on May 23, 2016					
FED	Bhabhar	Deesa	Kadi	Patan	Total
5-Jun-16	-	20	1161	585	1766
5-Jul-16	-	323	2620	1009	3952
5-Aug-16	-	121	99	191	411
Total	0	464	3880	1785	6129

Castor Seed Prices at Key Spot Markets:

Commodity/Center	Market	Price (Rs/ Quintal)				Change
		24-May-16		23-May-16		
	Castor Seed	Low	High	Low	High	
Gujarat	Patan	3000	3050	3050	3100	-50
	Harij	3040	3080	NR	NR	-
	Rajkot	2750	3100	2900	3150	-50
	Gondal	2750	3155	2750	3130	25
	Deesa	3030	3055	3050	3075	-20
	Bhabar	3040	3075	3100	3125	-50
	Mehsana	3025	3075	3090	3110	-35
	Kadi	3000	3120	Closed	Closed	-
	Sabarkatha	3050	3100	3125	3150	-50
	Gandhi Nagar	3075	3110	3100	3150	-40
	Ahmedabad (Sanand)	3030	3040	3040	3060	-20
	Halvad	2990	3090	3050	3100	-10
	Junagadh	2825	3140	2850	3145	-5
	Dhrol	NA	NA	NA	NA	-
	Rajasthan	Jodhpur	2895	2895	2900	2900
Sumerpur		3025	3025	3025	3040	-15

Castor Seed Arrivals in Key Centers:

Center	Market	Fig. in Quintal		Change
		24-May-16	23-May-16	
Gujarat	Patan	15000	13500	1500
	Harij	2850	NR	-
	Rajkot	450	570	-120
	Gondal	239	458	-219
	Deesa	1233	4000	-2767
	Bhabar	5699	3375	2324
	Mehsana	975	900	75
	Kadi	3600	Closed	-
	Sabarkatha	450	375	75
	Gandhi Nagar	750	675	75
	Ahmedabad (Sanand)	60	12	48
	Halvad	3000	525	2475
	Junagadh	200	152	48
	Dhrol	NA	NA	-
Rajasthan	Jodhpur	23	60	-38
	Sumerpur	960	1200	-240
Total Arrivals/Above Markets		35489	25802	9687

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