AGRIWATCH

Castor Weekly Report
27th July, 2015

Castor Domestic Fundamentals: -

- Castor seed market continued to reel under pressure on improved sowing prospects owing to better rainfall condition in the growing belts of Gujarat, Andhra Pradesh and Rajasthan. Planters' unwillingness to buy in decreasing market led by the weak prevailing inner tone weighs on seed market fundamentals. Actual seed consumption is almost constant .Right now stocks are moving from one godown to another. Cash market is expected to move down further in the weeks ahead in absence of actual consumption.

- Area coverage during Kharif 2015 is higher by 0.01 lakh ha compared to corresponding period of Kharif 2014.Normal area coverage (5 years average) is 10.36 lakh ha. and till 16th of July, total coverage was registered at 0.73 lakh ha. as against 0.72 lakh ha covered in corresponding period last year. Rajasthan and Telangana are doing better at sowing front with 21 and 26 thousand ha. area coverage so far.

- Generally, under normal weather conditions castor area coverage ranges in between 10 to 11 lakh ha on all India level. This year too it may hinge in between 10 to 10.5 lakh ha. Good rainfall in the beginning of monsoon season in castor growing belt of Gujarat may encourage farmers to shift some castor area to other cash crop like cotton and sesame to some extent. Sowing is yet to pick up.

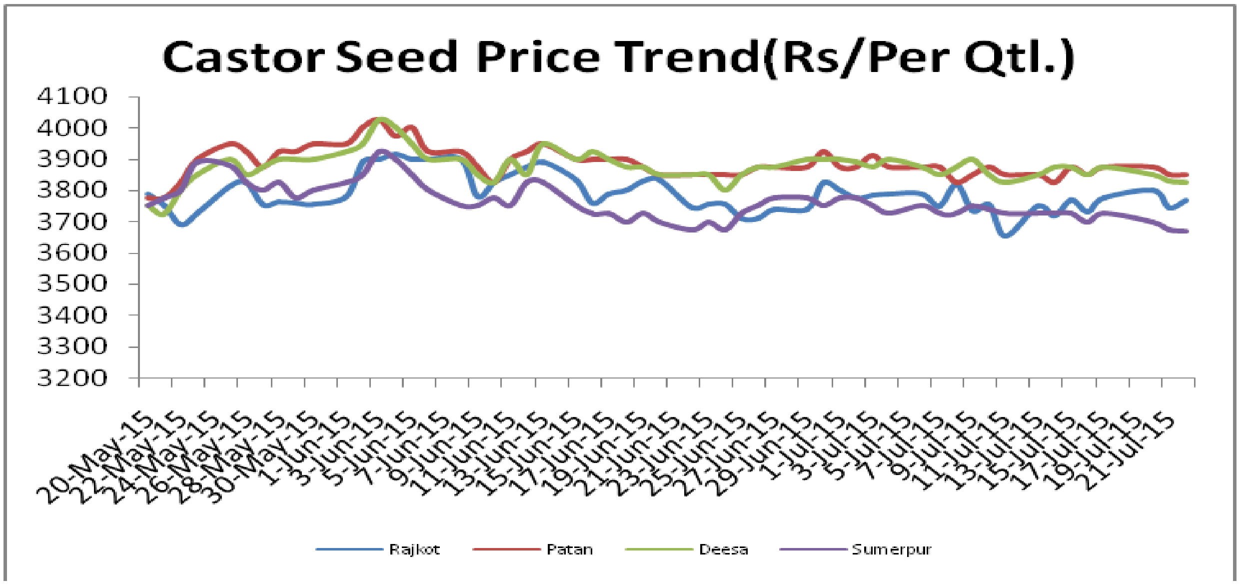
- At the arrival front, considerable decline has been seen in all major markets during the third week of the month. It decreased from 45916 to 27467 qtl. during the week under review. Week on week basis total arrivals declined by 18449 qtl. However, modest increase was registered in Junagarh. No major change is expected at arrival front in the fourth week of this month.

- Castor Oil export increased by 25.84 percent last week to 11828.85 tonne against 8771.18 tonne in the second week of July, 2015. Despite increase in oil export average price realization decreased by 1.02 percent to $1350.67 per tonne last week. More dip in FoB quote is expected as seed price is ruling lower at this point of time.

- Local rates for oil in domestic market (Rs./M.T.) for comm. grade oil too has decreased slightly from Rs 82250 to Rs 81500 per tonne during the week under review. More dip is expected in oil price as seed price is falling continuously.

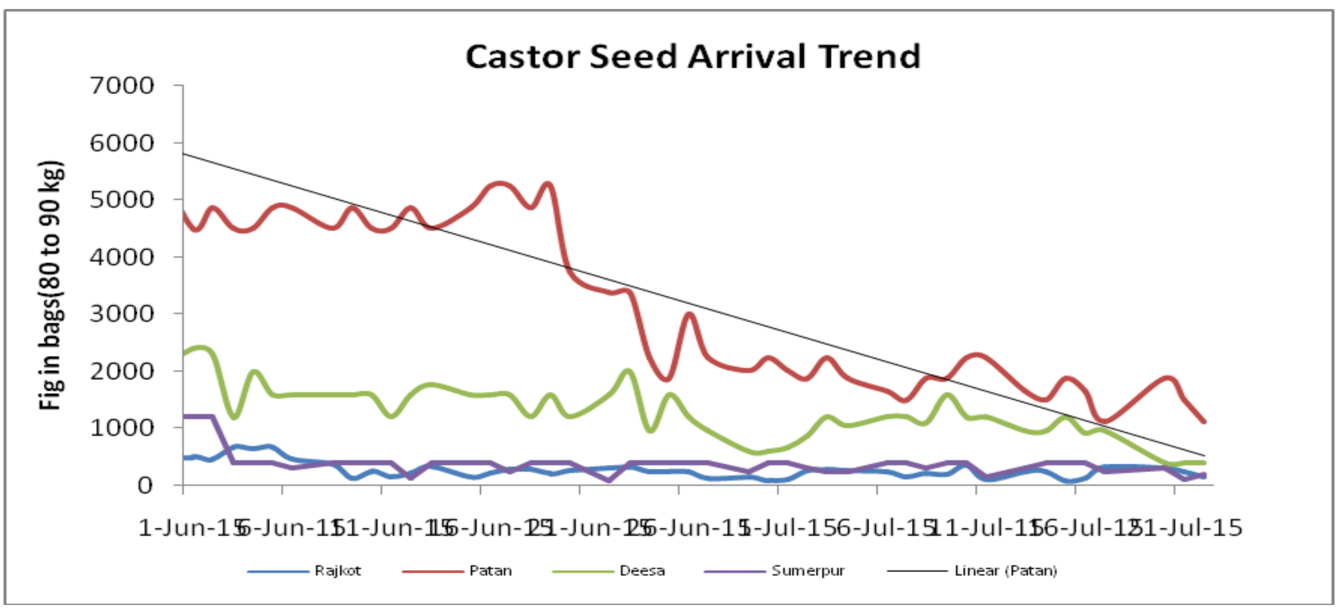
- Agriculture statistics Division, DES has released Third Adv estimates of Production of food-grains for 2014-15 on 13.05 2015.It has revised castor production estimate at 18.24 lakh tonne, down by 87 thousand tonne to. In second Adv Est. Castor production was estimated at 19.11 lakh tonne. The minor decrease in third Adv . Est is mainly attributed to inclement weather and yield loss. India has produced 17.27 lakh tonne castor seed in 2013-14.Target for the year was 16.65 lakh tonne.

Castor Seed Price Chart:



Castor seed market traded slightly lower during last two weeks with variation of Rs 50 per qtl. Overall tone remains bearish despite slight improvement in oil export. Market participants expect more dip in the weeks ahead.

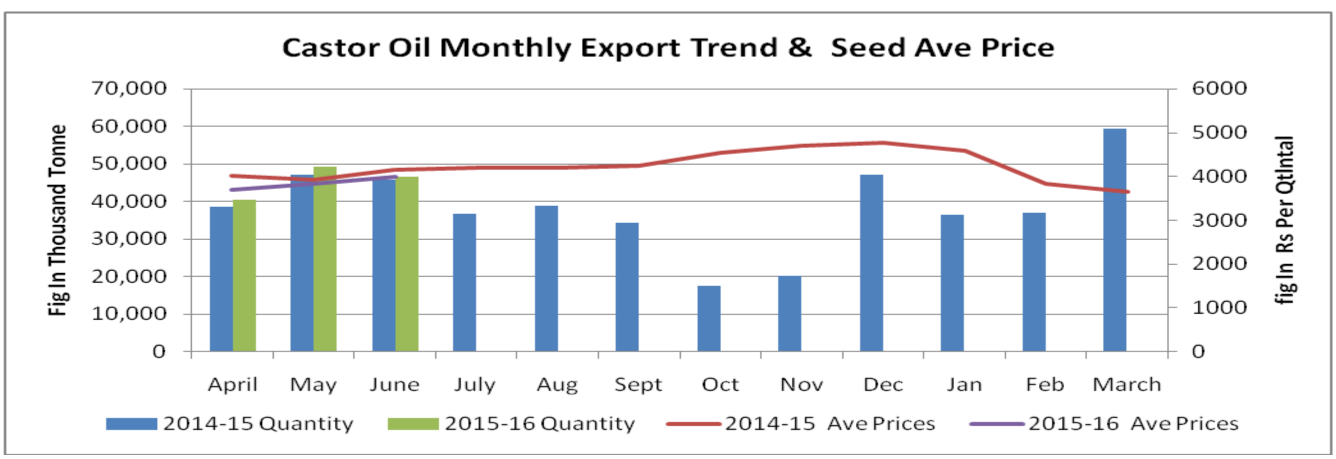
Castor Seed arrival Chart:



Arrival trend shows decreasing arrival week on week basis. Overall arrival pace for seed may decrease in the fourth week of July too as inner tone remains weak .Farmers are expected to remain busy in kharif sowing. They may wait for recovery in price.

Progressive Castor Seed Area In Lakh Ha.Till 16 th ,July,2015		
	2015	2014
Andhra Pradesh	0.04	0.11
Telangana	0.26	0.49
Arunachal Pradesh	-	-
Assam	-	-
Bihar	-	-
Chhattisgarh	-	-
Gujarat	0.07	0.02
Haryana	-	-
Himachal Pradesh	-	-
Jammu & Kashmir	-	-
Jharkhand	-	-
Karnataka	0.05	0.05
Kerala	-	-
Madhya Pradesh	-	-
Maharashtra	0.07	0
Odisha	0.02	0.02
Punjab	-	-
Rajasthan	0.21	0.01
Tamil Nadu	0.01	0.01
Uttar Pradesh	-	-
Uttarakhand	-	-
West Bengal	-	-
Others	-	-
Total – All India	0.73	0.72

Castor Oil Export Trend:



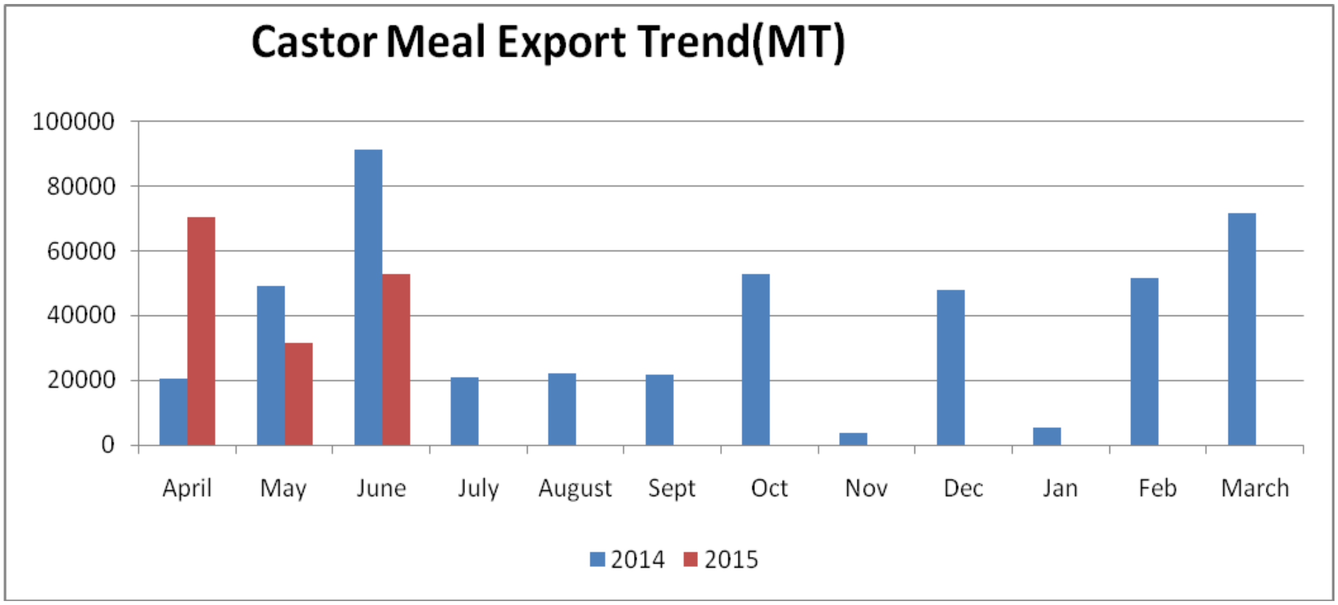
Source:IBIS/Agriwatch

The above given bar chart shows that castor oil export volume continues to rise from Apr-June in comparison to 2014-15.However, it may decrease July onwards as usual. Seed ave prices are ruling lower by 5 to8 percent this year from last year.

Weekly Oil Export:

Castor Oil Export	Quantity MT	Ave FOB Kandla($/T)	High	Low
6th to 12th July-2015	8771.18	1364.45	1604.27	1223.89
13th to 19th July-2015	11828.85	1350.67	1535.37	1224.71

Castor Meal Export:



Castor meal export volume increased from May to June. However, it is lower than May, June-2014. As meal prices are ruling higher, export volume is expected to dip more in July,2015.FOB quotes for meal has increased slightly this week from $108 to $110 per tonne.

Weekly Oil meal Export Update:

Oil Meal Weekly Export	Quantity MT	Ave FOB Kandla	High	Low
25-30 May-2015	8796.25	119.1	186.2	100.2
31 May to7th June-15	9185.19	123.24	196.05	101.98
07 to 15,june-15	No Export	-	-	-
15 to 21,june-15	29940.93	129.58	148.15	129.58
22to28June-15	13741.96	143.26	207.09	102.05
29 to 5th July-15	11375.65	131	145	104.05
6th to 12,July-15	735.55	165.04	155.1	181.02
13th-19th July-15	No Export	-	-	-

Source:IBIS

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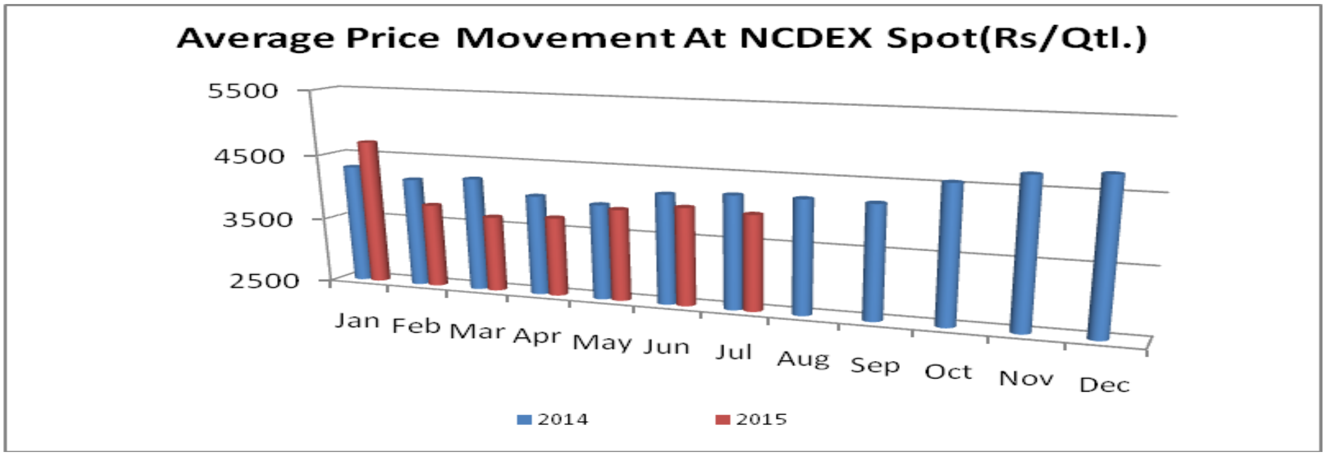
Yearly Average Price Variations At NCDEX Spot :



Cash Market Price Outlook For Deesa Spot

Expected Range	**Rs/Qtl.(Low)**	**Rs /Qtl.(High)**
Short term (15 days)	**3750-3850**	**3850-3875**
Medium Term (30 days)	**3875-3900**	**3900-3950**

Comparative Prices Of Castor Products Including Seed					
	24th July '15	**17th July '15**	**24th June'15**	**24th July '14**	**CHANGE %**
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	39000	39250	39000	42788	**-9.71**
Castor Meal Export (FAS) (US$ / MT),Ex Kandla	114	114	114	110	**3.51**
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	7200	7250	7250	6268	**12.94**
Castor Oil (First Grade) FOB Kandla (Export)$/Tonne	1255	1265	1260	1471	**-17.21**
Local rates for oil in domestic market(Rs./M.T.) for comm.	82500	82500	82000	86035	**-4.28**

Source: SEA latest update is not available .

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Technical Analysis:
Exchange: NCDEX
Contract: August
Expiry: Aug 20th, 2015

Castor – Technical Outlook	
Technical Commentary: ▪ Candlestick depicts downward trend in the market. ▪ RSI is moving down in neutral zone. ▪ Prices closed below 9 and 18 days EMAs. **Castor prices are likely to trade range bound with weak bias on this week session.**	

Strategy: Sell Below

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	Aug	3834	3850	3924	4034	4116
Weekly Trade Call			**Call**	**Entry**	**T1**	**T2**	**SL**
Castor	NCDEX	Aug	Sell Below	4000	3900	3875	4033

Cash Markets Price Movement:

Commodity	Market	Price (Rs/ Quintal)		Change
Center		17th July to 23th July,15	10th July to 16th July,15	
Rajasthan	Sumerpur	3694	3723	-29
	Jodhpur	3825	3783	42
Gujarat	Ahmedabad	3885	3834	51
	Halvad	3756	3783	-27
	Rajkot	3773	3730	43
	Gondal	3780	3796	-16
	Patan	3870	3854	16
	Harij	3868	3854	14
	Mehsana	3857	3865	-8
	Kadi	3899	3924	-25
	Deesa	3846	3854	-8

	Bhabar	3866	3859	7
	Sabarkatha	3925	3883	42
	Gandhi Nagar	3882	3870	12
	Junagadh	3790	3766	24
	Dhrol	3540	3580	-40

Week on Week Price: Scenario of Castor Seed :					
Commodity	**Market**	**Today**	**Week ago**	**Month ago**	**Year ago**
Center		**23-Jul-15**	**16-Jul-15**	**23-Jun-15**	**23-Jul-14**
Rajasthan	Sumerpur	3670	3700	3700	3900
	Jodhpur	3725	3850	3600	3700
Gujarat	Ahmedabad	NA	3865	3810	4075
	Halvad	NA	3775	3700	NA
	Rajkot	NA	3730	3755	3950
	Gondal	NR	3755	3855	3930
	Patan	3850	3850	3850	4120
	Harij	3850	3850	3860	NA
	Mehsana	3855	3870	3875	4055
	Kadi	3900	3930	3900	4090
	Deesa	3825	3850	3850	4075
	Bhabar	3850	3845	3865	NA
	Sabarkatha	3900	3900	3875	NA
	Gandhi Nagar	3860	3875	3900	NA
	Junagadh	3805	3775	3790	3890
	Dhrol	3580	NA	3535	NA

Castor Seed Cumulative Arrivals in Key Centers:

Center	**Market**	**Weekly Arrivals (Quintal)**		**Change**
		17th July to 23th July,15	**10th July to 16th July,15**	
Rajasthan	Sumerpur	960	2080	-1120
	Jodhpur	560	600	-40
Gujarat	Halvad	525	881	-356
	Rajkot	1040	1190	-150
	Gondal	30	746	-716
	Patan	7500	11175	-3675
	Harij	2175	2475	-300

	Mehsana	1800	3200	-1400
	Kadi	3944	7280	-3336
	Deesa	2720	6440	-3720
	Bhabar	3750	7080	-3330
	Sabarkatha	600	938	-338
	Gandhi Nagar	1238	1388	-151
	Junagadh	594	374	220
	Dhrol	2	3	-1
	Ahm (Sanand)	30	66	-36
Total Arrivals/Above Markets		**27467**	**45916**	**-18449**

Outlook:

Seed market is likely to trade lower due to good production prospects and weak demand from planters. Weather for sowing remains favorable. Bench mark market may trade in the range of 3750 to 3850 per qtl this week.