

Castor Domestic Market Fundamentals:

Castor seed all India average price decreased by 2.88 % to Rs 3259.52 per qtl week on week basis. It was being traded at Rs 3356 .19 per qtl. during the week ended 8th Jan-2016. More dip from current level is likely due to better production prospects, increasing hope for early arrival and higher available stock in private and public warehouses. New arrival has started now and pressure is expected by Feb end (March-April) one month earlier than last year. Stake holders, especially stockiests may try to drag futures market up to some extent. However price would not sustain at higher level. Demand for oil from importers continues at lower rate. Any bull run is unlikely now.

Prices of castor seed increased slightly (0.45%) in Andhra Pradesh from Rs 3246.39 to Rs 3260.92 per qtl. during the week under review. However, it decreased in other states like Gujarat, Rajasthan and Telangana by 3.5, 3.24 and 5.13% last week. Prices may move range bound with weak bias likely to continue. Seed is being traded at Rs 3411.18, 3244.12 & 3121.89 per qtl in these states.

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 oilmeal. Higher demand from overseas market and ample seed availability encouraged seed crushing in recent weeks. Plants continued to crush due to good demand for oil. More export is expected in coming weeks as crushing continues. FoB quote has decreased from \$107 to \$101 per tonne at Kandla.

Castor Oil export during the week ended 15 th Jan-2016 was registered at 5442.65 tonne, lower by 62.04. % from previous week (14339.39 tonne). India exported at an average FoB price of \$1343.51 per tonne, higher by 0.11 percent from previous week. It had exported 14339.39 tonne oil during the week ended 3rd Jan-2016 at an average price of \$1334.55 per tonne.

Progressive Area Coverage: -

Seed buyers are unwilling to buy new crop as inner tone remains bearish. Plants are active but they are using seeds from their own stock. So pressure on cash market continues. In major mandis trading activities are limited. Buying interest may be seen at Rs 3000 in March –April this year.

Area coverage during kharif 2015 till 8th 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 1st 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 1st 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 Feb contract. Agriwatch expects market to move down in the fourth week of January. Castor oil importers may enter into the market once again at lower level. As new crop is one and a half month 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 slight recovery is possible. Stake holders should sell at higher level in Feb –March Futures contracts.

Call:

Stake holders may go for Selling below 3542 for the target of 3460 in Feb Contract.

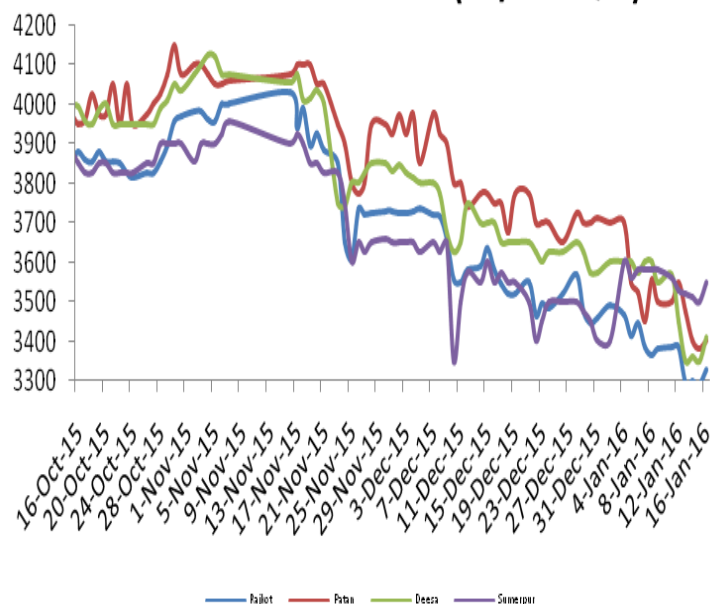
Price Trend:

Markets recovered slightly last week. Recovery is unlikely to continue in the third week of Jan-2016 as inner tone remains weak..Agriwatch expects market to stay steady to slightly weak this week as supply demand side is almost balanced. Market may trade in the range of Rs 3450 to 3550 In Feb Futures market.

Medium term (Feb-March) outlook remains weak as new crop is not far away from now.. Majority of stock is in strong hands and now they intend to offload their maximum stock by mid Feb-2016 before pressure starts from new crop.

Higher area coverage and normal demand for oil from overseas market may restrict one way uptrend. 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. as per normal market expectation.

Castor Seed Price Trend(Rs/Per Qtl.)



Castor Seed Arrival Chart:

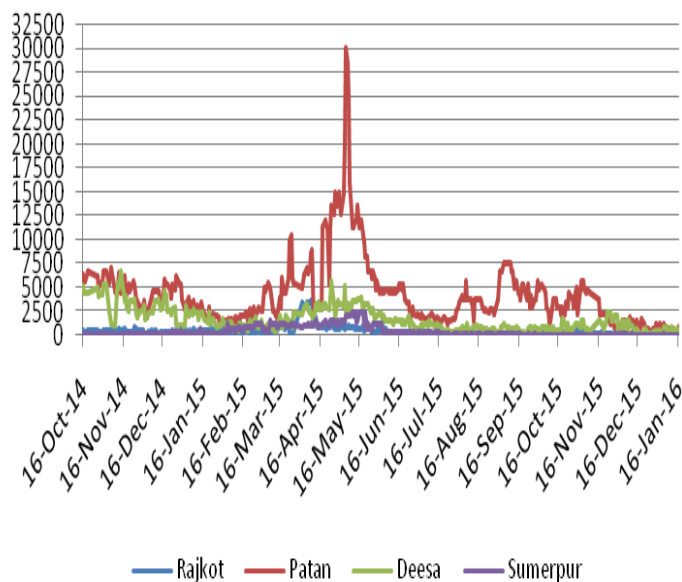
Arrivals of seed decreased in all major markets with declining prices. There is no hope for any recovery at arrival fronts in the weeks ahead until new crop starts hitting the market in bulk.

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-end Feb-2016.

Stockiests would not release stock at lower price and would wait for uptrend at least for one month from now.

In decreasing trend sellers have preferred to wait for one and half month till February

Castor Seed Arrival Trend (In Qtl.)



Castor Oil Export Trend:

Source: IBIS/Agriwatch

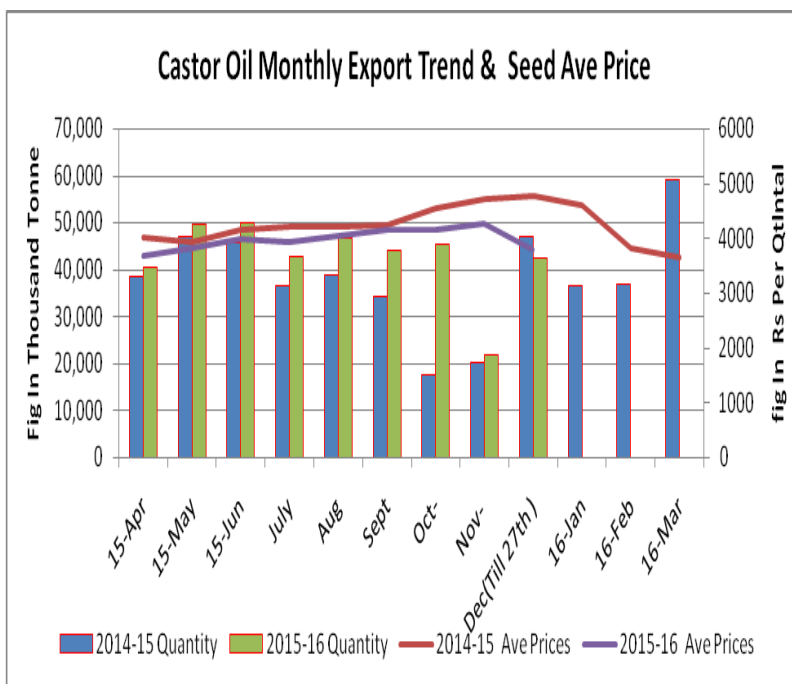
The above given bar chart shows that castor oil export volume continued to rise from the beginning of this MY in comparison to 2014-15. Slight decrease has been seen in December-2015. Total export in Dec-15 (till 27th) was registered at 42559.72 tonne. In December-14 India had exported around 47 000 tonne.

Castor oil export during week ending 10th Jan-2016 decreased by 62.04 % from 14339.39 to 5442.65 tonne at an Average FoB price of \$1343.51 per T. Price realization increased by 0.67 % from previous week.

India had exported around 42559 tonne oil in Dec-2015.

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

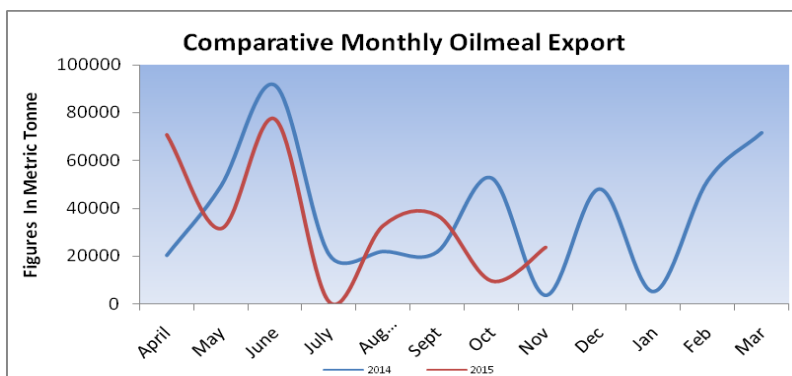
Source: IBIS/Agriwatch



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.

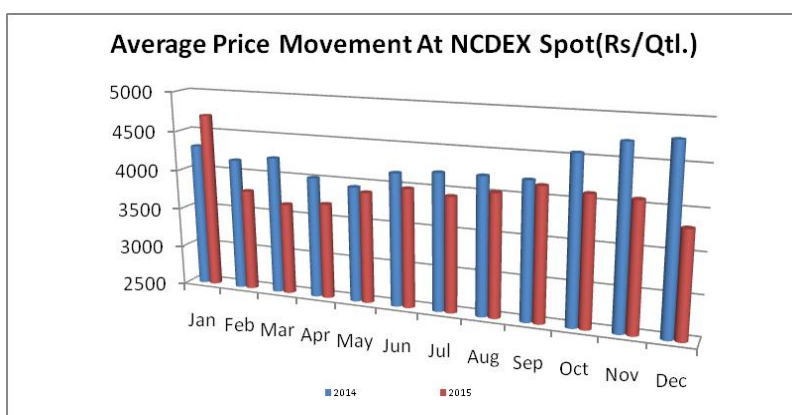
FOB quotes for meal has increased slightly this week from \$112 to \$114 per tonne. France bought 208.9 tonne meal last week at an average price of \$164.65 per tonne.



Yearly Average Price Variations At NCDEX Spot :

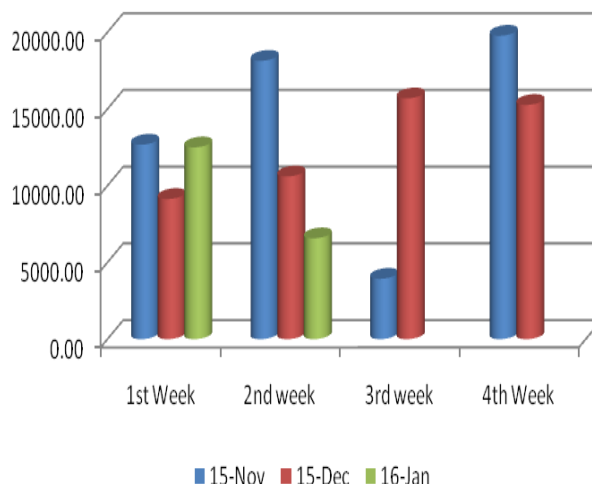
Note: Average Price: Till 15th Jan-2015

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	12500
2nd week	18139.40	10606.60	6575
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)	3350-3400	3400-3450
Medium Term (30 days)	3450-3500	3500-3550

Comparative Prices Of Castor Products Including Seed

	15th Jan '16	8th Jan '16	15th Dec '15	15th Jan '15	Change
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	NA	36600	38500	43765	-
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	NA	88	97	133	-
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	NA	5800	6250	7909	-
Castor Oil (First Grade) FOB Kandla (Export)\$/Tonne	NA	1100	1210	1426	-
Local rates for oil in domestic market(Rs./M.T.) for comm.	74000	76500	80000	87740	-18.57

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 this week.


Strategy: Sell On Rise

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	Feb	3400	3480	3531	3764	3812
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Feb	Sell Below	3560	3500	3480	3580

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			
Total – All India	11.02	10.19	8.15

Source:DES

Castor Seed Weekly Prices at Key Spot Markets:

Commodity	Market	Price (Rs/ Quintal)		Change
Center		8 Jan. to 14 Jan. 16	2 Jan. to 7 Jan. 16	
Gujarat	Patan	3523	3585	-63
	Harij	3508	3572	-64
	Rajkot	3363	3440	-78
	Gondal	3363	3399	-36
	Deesa	3534	3594	-60
	Bhabar	3466	3551	-85
	Mehsana	3438	3515	-78
	Kadi	3476	3548	-72
	Sabarkatha	3463	3525	-63
	Gandhi Nagar	3504	3551	-47
	Ahmedabad (Sanand)	3420	3406	14
	Halvad	3413	3470	-58
	Junagadh	3424	3480	-56
	Dhrol	3467	3500	-33
Rajasthan	Jodhpur	3566	3580	-14
	Sumerpur	3355	3388	-33

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		14-Jan-16	7-Jan-16	14-Dec-15	14-Jan-15
Gujarat	Patan	Closed	3450	3775	4575
	Harij	Closed	3575	3725	NA
	Rajkot	NA	3385	3590	4190
	Gondal	Closed	3405	3680	4255
	Deesa	NR	3600	3700	NA
	Bhabar	NR	3525	3720	NA
	Mehsana	Closed	3475	3750	4300
	Kadi	Closed	3500	NA	4400
	Sabarkatha	Closed	3475	3725	NA
	Gandhi Nagar	Closed	3525	3700	NA

	Ahmedabad (Sanand)	NR	3345	3530	4500
	Halvad	Closed	3450	3650	NA
	Junagadh	NR	3500	3730	NA
	Dhrol	NR	3500	NA	NA
Rajasthan	Jodhpur	NR	3580	3720	4100
	Sumerpur	3250	3400	3550	4100

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	Weekly Arrivals (Quintal)		Change
		8 Jan. to 14 Jan. 16	2 Jan. to 7 Jan. 16	
Gujarat	Patan	3383	4988	-1604
	Harij	1313	1051	262
	Rajkot	1150	910	240
	Gondal	632	588	44
	Deesa	2422	1920	502
	Bhabar	4050	2057	1994
	Mehsana	240	380	-140
	Kadi	6960	7032	-72
	Sabarkatha	390	207	183
	Gandhi Nagar	675	392	283
	Ahmedabad (Sanand)	101	69	32
	Halvad	578	488	90
	Junagadh	85	145	-60
	Dhrol	17	5	12
Rajasthan	Jodhpur	192	240	-48
	Sumerpur	400	360	40
Total Arrivals/Above Markets		22587	20829	1758

Outlook & Recommendation: Castor seed market is expected to trade under pressure this week too and stake holders should go for selling above 3560 for the target of 3480..

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