

Castor Domestic Market Fundamentals:

Castor seed all India average price decreased by 1.12 % to Rs 3391.97 per qtl week on week basis. It was being traded at Rs 3430.64 .19 per qtl. during the week ended 25th 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 stockists 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.

Production estimates in castor conference held on 24 Jan-2016 in Palanpur (Gujarat) range from 15.50 to 16 lakh tonne for new incoming crops. In Bhuj area production is likely to double due to higher acreage and good yield. In Patan production would increase by 10 to 15 % from last year while in other area similar production is expected as last year. Rajasthan too would produce above two lakh tonne seed this year. Telangana, AP and others may contribute around one lakh tonne. Gujarat may contribute around 12.5 lakh tonne this year.

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 17 th Jan-2016 was registered at 6624.08 tonne, higher by 21.78 % from previous week (5442.65 tonne). India exported at an average FoB price of \$1308.97 per tonne, lower by 2.97 percent from previous week. It had exported 5442.65 tonne oil during the week ended 10th Jan-2016 at an average price of \$1343.51 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 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 seems in sight. Stake holders should sell at higher level in Feb –March Futures contracts.

Call:

Stake holders may go for Selling below 3100 for the target of 3000-2975 in Feb Contract.

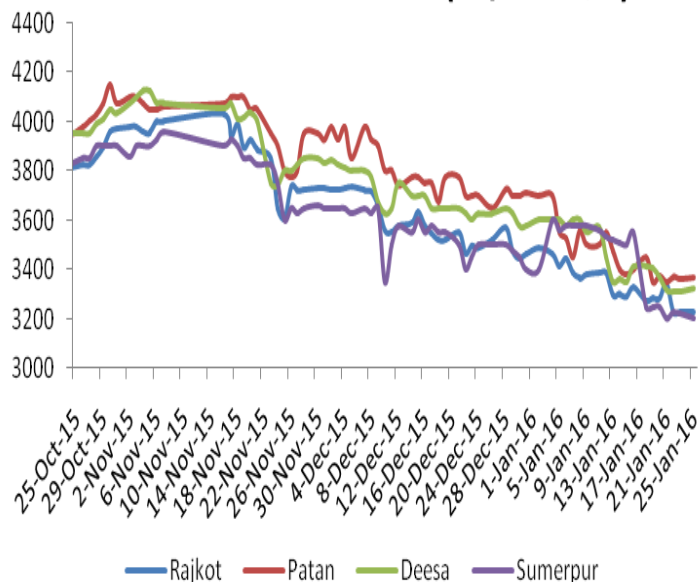
Price Trend:

Markets could not sustain recovery as expected in this weekly report and continued to dip on higher crop expectation. Recovery is unlikely in the fourth week of Jan-2016 as inner tone remains weak..Agriwatch expects market to stay steady to slightly weak this week as supply is bound to increase. Market may trade in the range of Rs 2900 to 3050 In cash markets.

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 continue to 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:

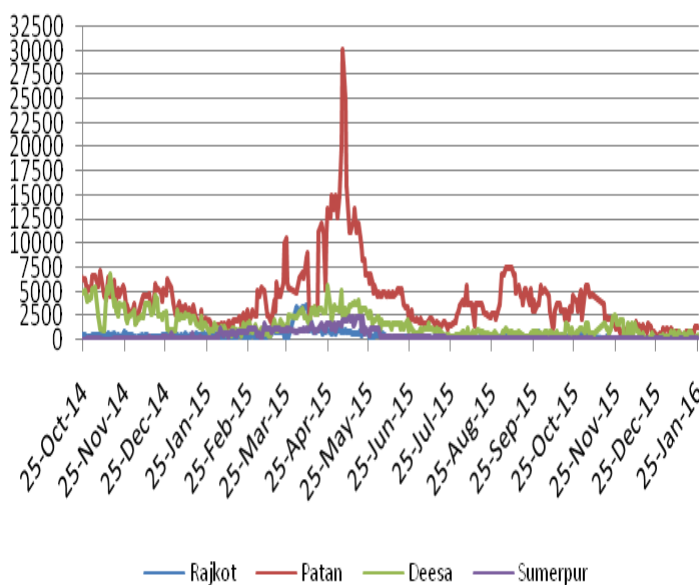
Arrivals of seed decreased in all major markets with declining prices. There is no hope for any recovery at arrival fronts in the weeks ahead until new crop starts hitting the market in bulk.

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. However, any recovery seems a remote possibility.

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 Jan-16 (till 25th) was registered at 32450 tonne. In Jan-15 India had exported around 36501 tonne.

Castor oil export during week ending 17th Jan-2016 increased by 21 % from 5442.65 to 6624.08 tonne at an Average FoB price of \$1308.97 per T. Price realization decreased by 2.64 % 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 7.91 percent in Dec in comparison to Nov and is likely to decrease in the weeks ahead as seed arrivals have decreased.

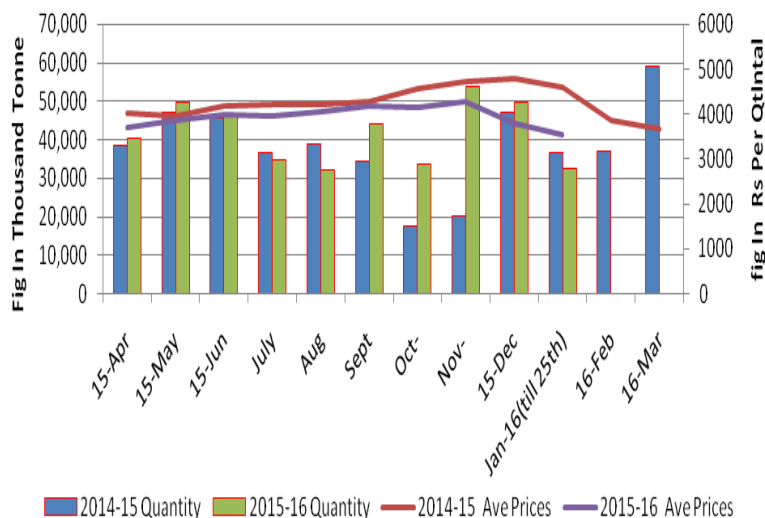
FOB quotes for meal too has decreased slightly this week from \$110 to \$106 per tonne. France bought 208.9 tonne meal last week at an average price of \$164.65 per tonne.

Yearly Average Price Variations At NCDEX Spot :

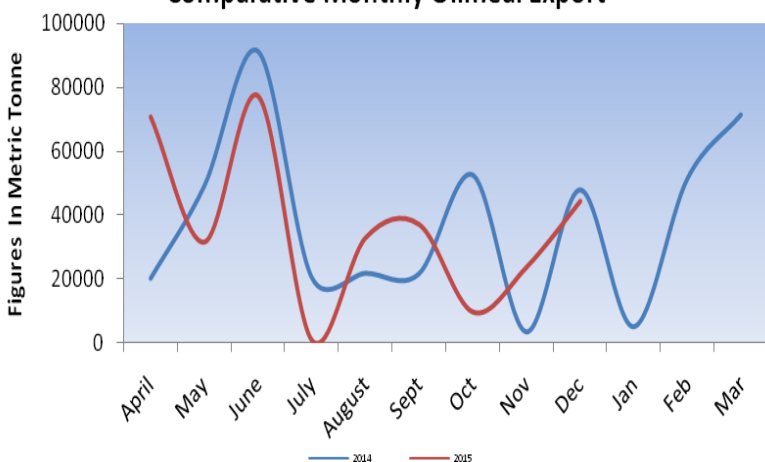
Note: Average Price: Till 25th Jan-2015

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 Rs3524.06. per qtl.

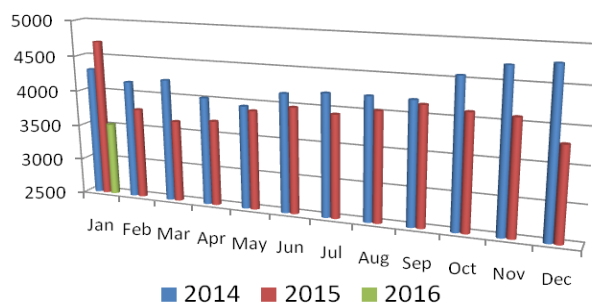
Castor Oil Monthly Export Trend & Seed Ave Price



Comparative Monthly Oilmeal Export

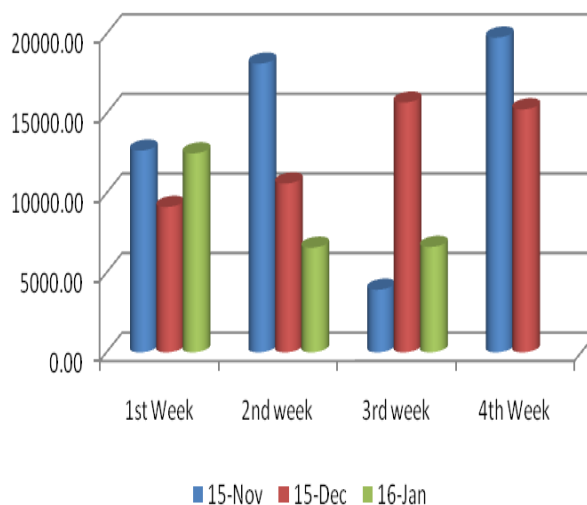


Average Price Movement At NCDEX Spot (Rs/Qtl.)



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	6624.08
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)	3250-3300	3300-3350
Medium Term (30 days)	3300-3350	3350-3400

Comparative Prices Of Castor Products Including Seed

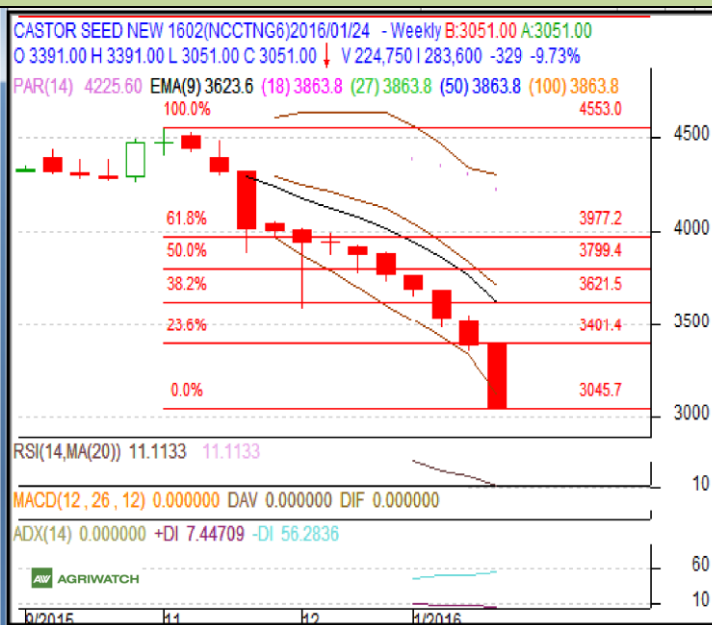
	22nd Jan '16	15th Jan '16	22th Dec '15	22nd Jan '15	Change
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	34500	NA	37500	43765	-26.86
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	87	NA	93	133	-52.87
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	5700	NA	6100	7909	-38.75
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1020	NA	1165	1426	-39.80
Local rates for oil in domestic market(Rs./M.T.) for comm.	73000	74000	78000	87740	-20.19

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 oversold 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	2900	2950	3051	3401	3621
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Feb	Sell Below	3100	3000	2950	3133

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		15 Jan. to 21 Jan. 16	8 Jan. to 14 Jan. 16	
Gujarat	Patan	3384	3523	-138
	Harij	3394	3508	-114
	Rajkot	3302	3363	-61
	Gondal	3359	3363	-4
	Deesa	3378	3534	-157
	Bhabar	3384	3466	-82
	Mehsana	3333	3438	-105
	Kadi	3399	3476	-77
	Sabarkatha	3354	3463	-108
	Gandhi Nagar	3382	3504	-122
	Ahmedabad (Sanand)	3322	3420	-98
	Halvad	3304	3413	-108
	Junagadh	3341	3424	-83
	Dhrol	3213	3467	-253
Rajasthan	Jodhpur	3488	3566	-78
	Sumerpur	3242	3355	-113

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		21-Jan-16	14-Jan-16	21-Dec-15	21-Jan-15
Gujarat	Patan	3350	Closed	3775	4250
	Harij	3350	Closed	3610	4175
	Rajkot	3345	NA	3550	4015
	Gondal	3280	Closed	3580	4030
	Deesa	3315	NR	3625	4215
	Bhabar	3350	NR	3655	4175
	Mehsana	3300	Closed	3660	4125
	Kadi	3425	Closed	NA	4100

	Sabarkatha	3325	Closed	3650	4150
	Gandhi Nagar	3325	Closed	3650	4205
	Ahmedabad (Sanand)	3270	NR	3380	4300
	Halvad	3300	Closed	3600	4000
	Junagadh	3320	NR	3705	NR
	Dhrol	3195	NR	3650	NR
Rajasthan	Jodhpur	3400	NR	3630	3900
	Sumerpur	3200	3250	3500	3825

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	Weekly Arrivals (Quintal)		Change
		15 Jan. to 21 Jan. 16	8 Jan. to 14 Jan. 16	
Gujarat	Patan	4241	3383	857
	Harij	1838	1313	525
	Rajkot	940	1150	-210
	Gondal	633	632	1
	Deesa	3551	2422	1129
	Bhabar	4913	4050	863
	Mehsana	212	240	-28
	Kadi	6760	6960	-200
	Sabarkatha	495	390	105
	Gandhi Nagar	600	675	-75
	Ahmedabad (Sanand)	90	101	-11
	Halvad	465	578	-113
	Junagadh	295	85	210
	Dhrol	64	17	48
Rajasthan	Jodhpur	296	192	104
	Sumerpur	440	400	40
Total Arrivals/Above Markets		25831	22587	3244

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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