

**Castor Domestic Market Fundamentals:**

Castor seed all India average price decreased by 4.37 % to Rs 3233.59 per qtl week on week basis. It was being traded at Rs 3381.55.64 per qtl. during the week ended 30 th Jan-2016. More dip from current level is unlikely and cash market may trade steady until arrivals from new crop increases.

Besides, SEBI has sought explanation from commodities derivative exchange NCDEX in the matter of castor seed contracts, whose futures trading was suspended with immediate effect (27<sup>th</sup> Jan-2016). NCDEX has been asked to explain what were the factors that led to suspension of trading and also the measures that were being taken by the exchange while positions were built up in that commodity. The Securities and Exchange Board of India has also sought details about the risk management measures in place at the commodity exchange.

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 slightly lower production is expected as last year. Rajasthan too would produce above two lakh tonne seed this year. However, private trade differs on area coverage. Telangana, AP and others may contribute around one lakh tonne. Gujarat may contribute around 12.5 lakh tonne this year.

Castor Oil export during the week ended 25 th Jan-2016 was registered at 4026.41 tonne, lower by 39.44 % from previous week (6624.08 tonne). India exported at an average FoB price of \$1258.49 per tonne, lower by 4.01 percent from previous week. It had exported 6624.08 tonne oil during the week ended 17<sup>th</sup> Jan-2016 at an average price of \$1308.97 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. As futures contracts have been suspended and prices are ruling at lower level even before arrival pressure, farmers would prefer not to sell their stock below 580 per 20 kg. Agriwatch expects market to stay steady in the first week of February. Planters would source seed from old private stock and it would reduce old accumulated stock to some extent in next two months. Castor oil importers may enter into the market once again at lower level. Seed price may trade steady.

**Call:**

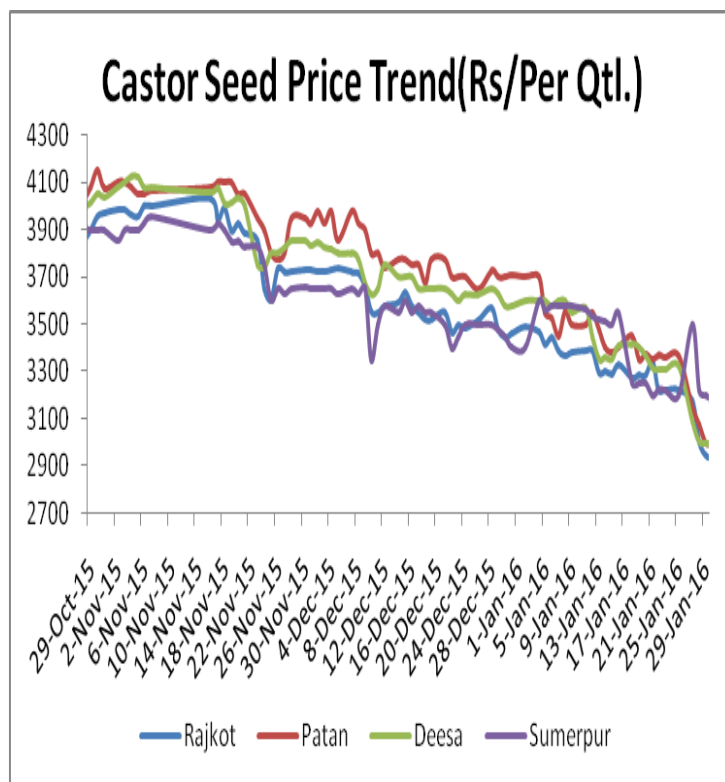
Futures contracts have been suspended  
Stake holders in cash market should buy seed around Rs 2850 to Rs 2900 for stock purpose.

### Price Trend:

With suspension of castor futures contract, cash market price continued to dip last week. However, market is expected to stay steady as farmers would not sell their stock at prevailing lower prices. Immediate recovery is unlikely in the first week of Feb-2016 as inner tone remains weak. Agriwatch expects market to stay steady this week as supply demand side is balanced. Market may trade in the range of Rs 2800 to 3000 In cash markets.

Medium term (Feb-March) outlook remains firm as farmers may retain stock. Pressure may be felt in April when prices are expected to rule above Rs 3400 per qtl.

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.



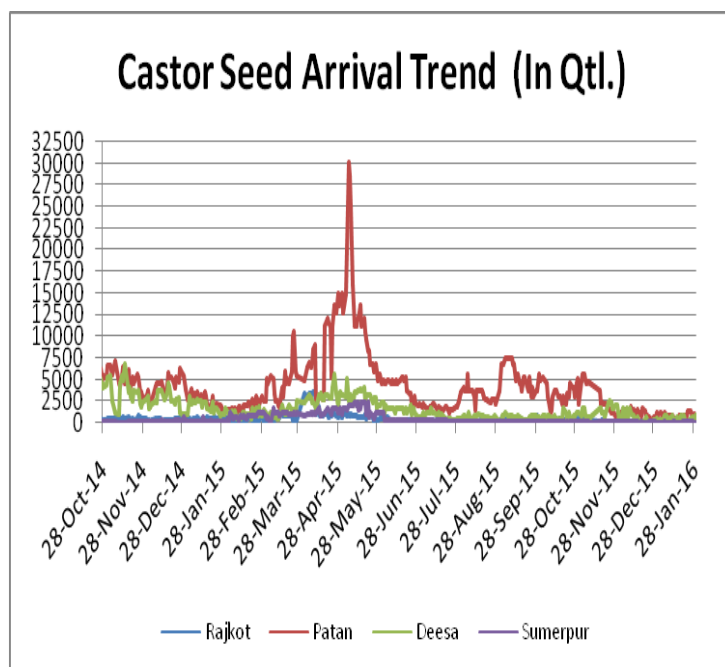
### Castor Seed Arrival Chart:

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 and price recovers.

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 end Feb-2016. However, any major recovery seems a remote possibility.

Stockiest 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 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 January-2016. Total export in Jan-16 (till 29<sup>th</sup>) was registered at 30453 tonne. In Jan-15 India had exported around 36501 tonne.

Castor oil export during week ending 25<sup>th</sup> Jan-2016 decreased by 39 % from 4026.41 to 6624.08 tonne at an Average FoB price of \$1258.49 per T. Price realization decreased by 4.01 % from previous week.

India had exported around 36501 tonne oil in Jan-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

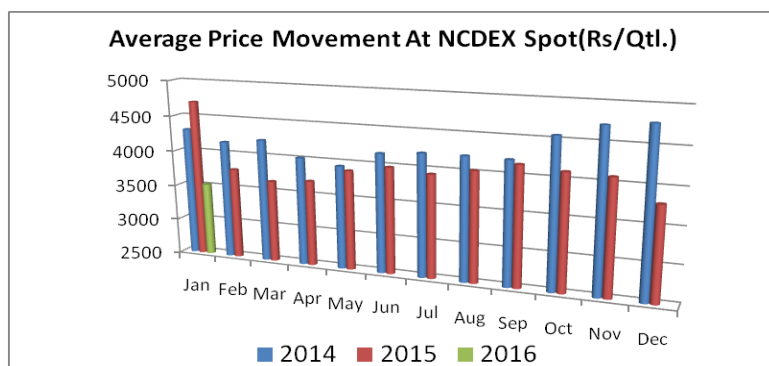
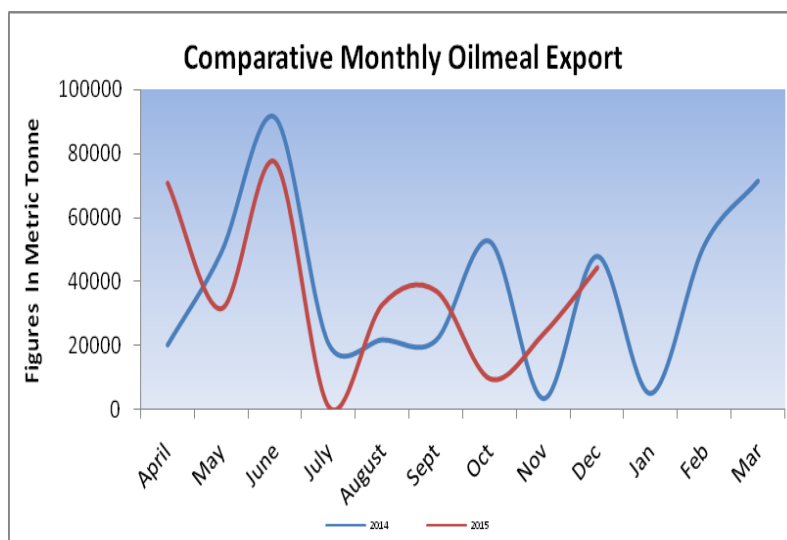
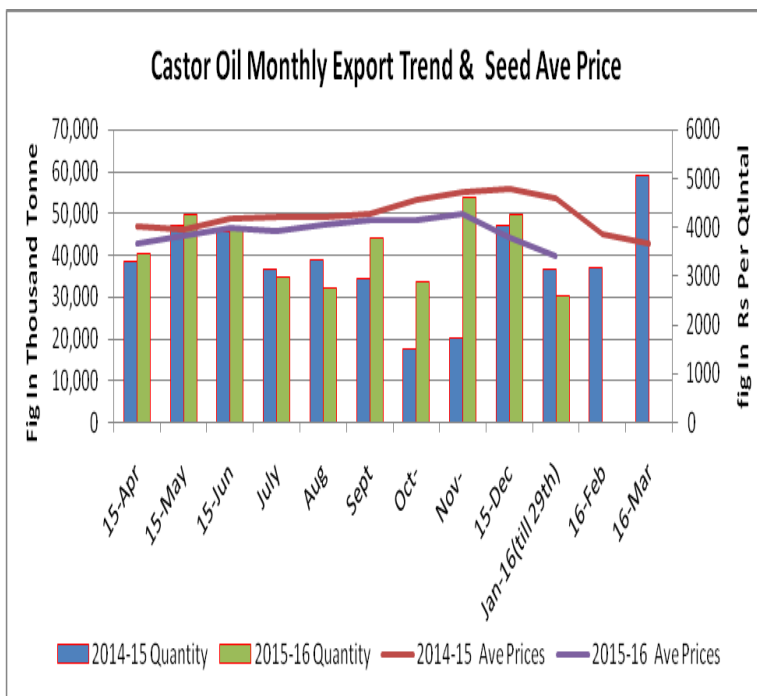
Castor meal export volume decreased by 7.91 percent in Dec in comparison to Nov and is likely to decrease in the weeks ahead as seed arrivals have decreased.

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 ave price of \$164.65 per tonne.

## Yearly Average Price Variations At NCDEX Spot :

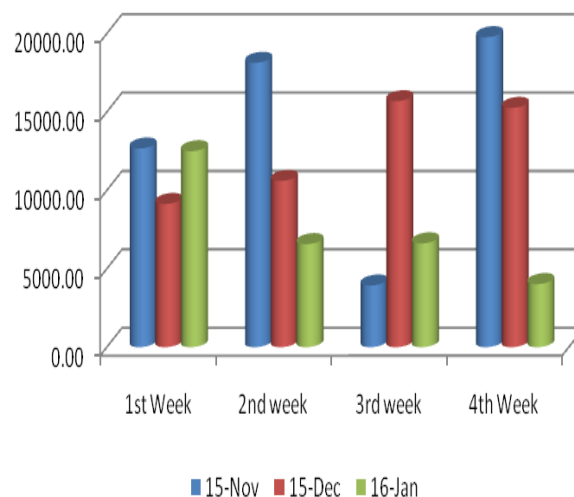
Note: Average Price: Till 29<sup>th</sup> Jan-2015

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 Rs3424.06. 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	6624.08
4th Week	19775.00	15265.94	4026.41

**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)	3000-3050	3050-3075
Medium Term (30 days)	3075-3100	3100-3150

**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:**

Futures Contracts Were  
suspended on 27<sup>th</sup> January-2016



**Strategy: Sell On Rise**

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	Feb					
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Feb					

**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

<b>Uttar Pradesh</b>			
<b>Uttarakhand</b>			
<b>West Bengal</b>			
<b>Others</b>			
<b>Total – All India</b>	11.02	10.19	8.15

Source:DES

### Castor Seed Weekly Prices at Key Spot Markets:

Commodity	Market	Price (Rs/ Quintal)		Change
Center		22 Jan. to 28 Jan. 16	15 Jan. to 21 Jan. 16	
<b>Gujarat</b>	Patan	3264	3384	<b>-120</b>
	Harij	3220	3394	<b>-174</b>
	Rajkot	3171	3302	<b>-131</b>
	Gondal	3260	3359	<b>-99</b>
	Deesa	3183	3378	<b>-195</b>
	Bhabar	3222	3384	<b>-162</b>
	Mehsana	3218	3333	<b>-115</b>
	Kadi	3181	3399	<b>-218</b>
	Sabarkatha	3260	3354	<b>-94</b>
	Gandhi Nagar	3285	3382	<b>-97</b>
	Ahmedabad (Sanand)	3174	3322	<b>-148</b>
	Halvad	3200	3304	<b>-104</b>
	Junagadh	3214	3341	<b>-127</b>
	Dhrol	3048	3213	<b>-166</b>
<b>Rajasthan</b>	Jodhpur	3430	3488	<b>-58</b>
	Sumerpur	3129	3242	<b>-113</b>

### Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		28-Jan-16	21-Jan-16	28-Dec-15	28-Jan-15
<b>Gujarat</b>	Patan	3075	3350	3725	4025
	Harij	3050	3350	3650	4050
	Rajkot	3005	3345	3570	3930
	Gondal	3155	3280	3580	3930
	Deesa	3005	3315	3650	NA
	Bhabar	3035	3350	3620	3975
	Mehsana	2975	3300	3580	3950
	Kadi	3025	3425	NA	3950
	Sabarkatha	3050	3325	3650	3950

	Gandhi Nagar	3125	3325	3650	4000
	Ahmedabad (Sanand)	3055	3270	NA	3850
	Halvad	3025	3300	3550	3900
	Junagadh	2945	3320	3595	3910
	Dhrol	3000	3195	3500	NR
<b>Rajasthan</b>	Jodhpur	3220	3400	3620	3700
	Sumerpur	2950	3200	3500	3800

**Castor Seed Cumulative Arrivals in Key Centers:**

Center	Market	Weekly Arrivals (Quintal)		Change
		22 Jan. to 28 Jan. 16	15 Jan. to 21 Jan. 16	
<b>Gujarat</b>	Patan	5386	4241	<b>1145</b>
	Harij	2550	1838	<b>713</b>
	Rajkot	1540	940	<b>600</b>
	Gondal	878	633	<b>245</b>
	Deesa	1344	3551	<b>-2207</b>
	Bhabar	4909	4913	<b>-4</b>
	Mehsana	460	212	<b>248</b>
	Kadi	6156	6760	<b>-604</b>
	Sabarkatha	788	495	<b>293</b>
	Gandhi Nagar	1088	600	<b>488</b>
	Ahmedabad (Sanand)	107	90	<b>18</b>
	Halvad	885	465	<b>420</b>
	Junagadh	137	295	<b>-158</b>
	Dhrol	18	64	<b>-46</b>
<b>Rajasthan</b>	Jodhpur	220	296	<b>-76</b>
	Sumerpur	1000	440	<b>560</b>
Total Arrivals/Above Markets		<b>27465</b>	<b>25831</b>	<b>1633</b>

**Outlook & Recommendation:** Castor seed market is expected to trade steady to slightly firm despite suspension on futures. Stockiest should buy seed around 2850 to 2950 per qtl.

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