

Castor Domestic Market Fundamentals:

Castor seed all India average price decreased by 3.19 % to Rs 3109.69 per qtl week on week basis. It was being traded at Rs 3211.45 per qtl. during the week ended 6th Feb-2016. More dip from current level is unlikely and cash market may trade steady until arrivals from new crop increases. Inner tone remains weak.

Castor Oil export during the week ended 31st Jan-2016 was registered at 10152.59 tonne, higher by 152.15 % from previous week (4026.41 tonne). India exported at an average FoB price of \$1248.49 per tonne, lower by 0.08 percent from previous week. It had exported 4026.41 tonne oil during the week ended 25th Jan-2016 at an average price of \$1258.49 per tonne.

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 (27th 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.

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 second 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 with weak bias.

Call:

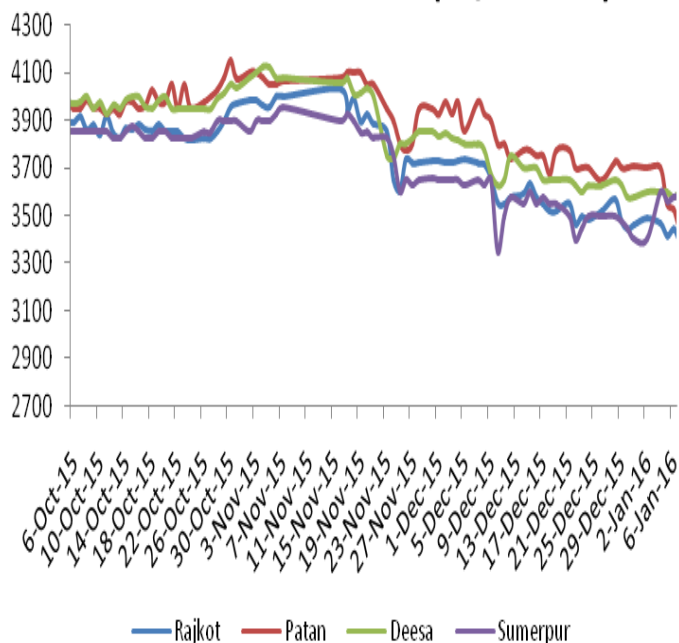
Futures contracts have been suspended
Stake holders in cash market should buy seed around Rs 2850 to Rs 2900 for stock purpose.

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 second 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 2850 to 2950 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 around Rs3000/3100 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.

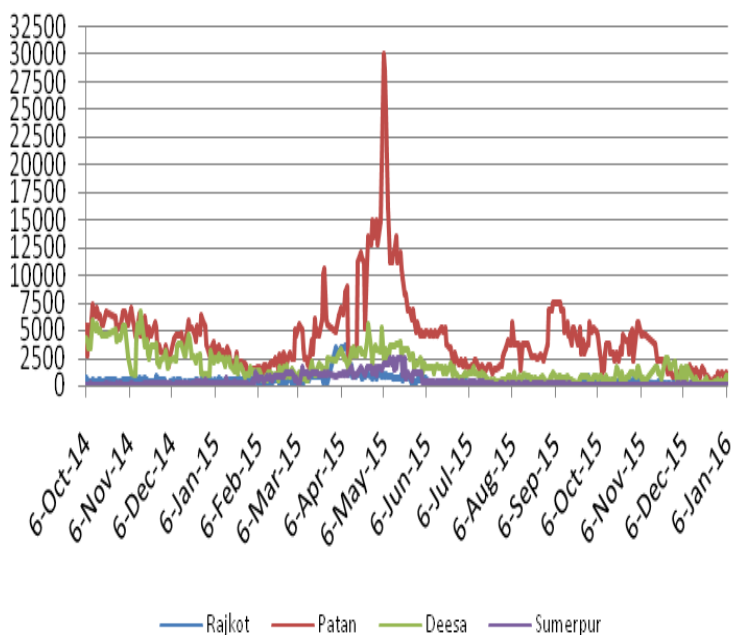
Castor Seed Price Trend(Rs/Per Qtl.)

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

Castor oil export during week ending 25th 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

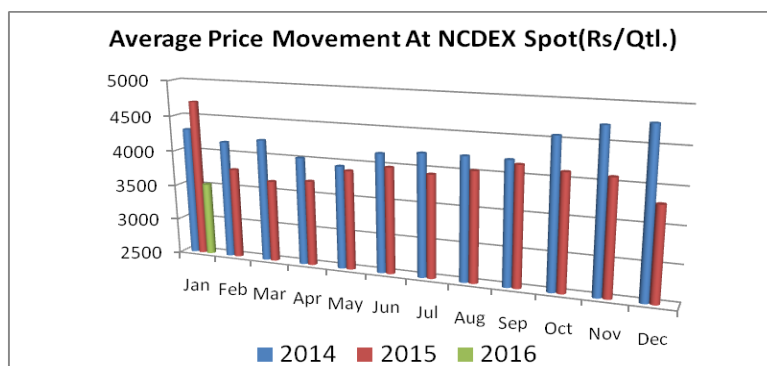
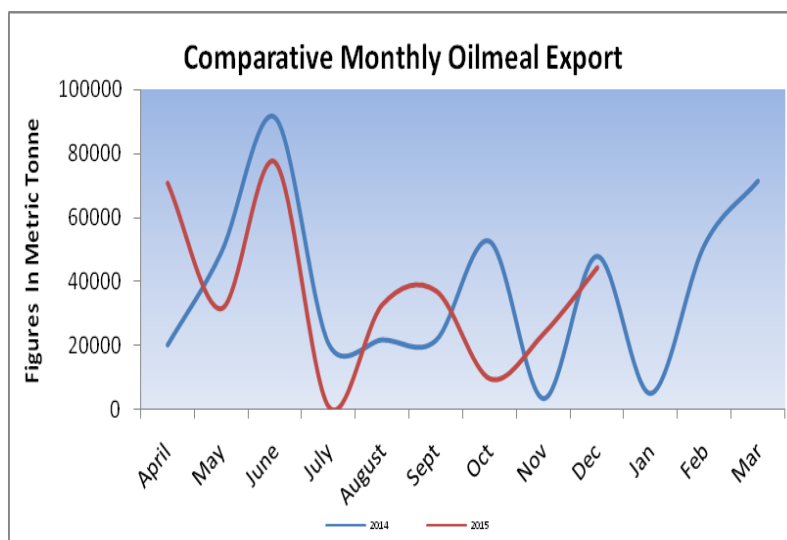
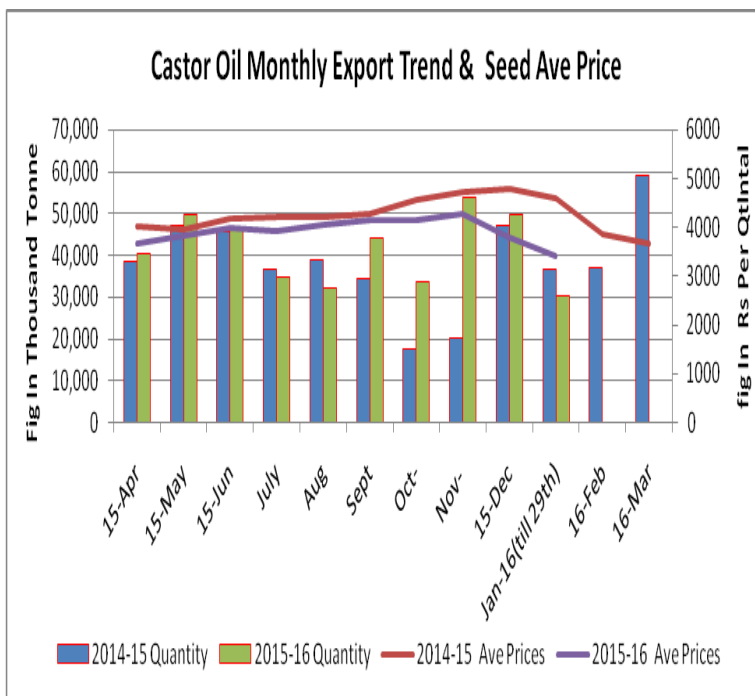
Castor meal export volume decreased by 7.91 percent in Dec in comparison to Nov and is likely to decrease in the weeks ahead as seed arrivals have decreased.

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 :

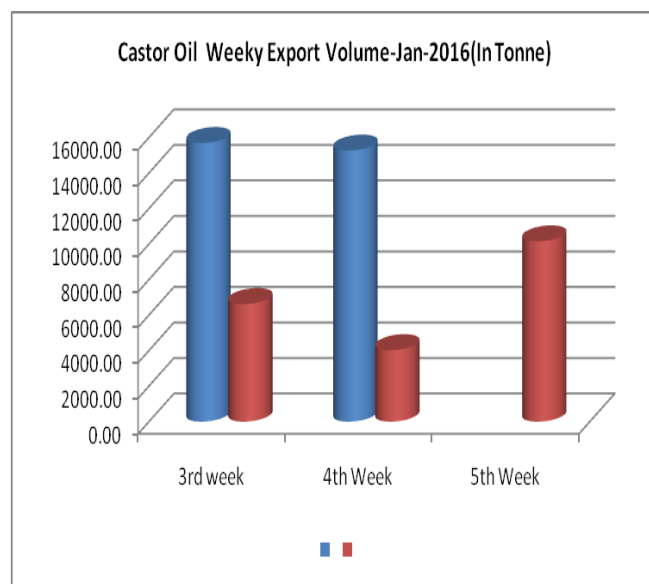
Note: Average Price: Till 29th Jan-2015

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-Dec	16-Jan
1st Week	9134.37	12500
2nd week	10606.60	6575
3rd week	15693.28	6624.08
4th Week	15265.94	4026.41
5th Week		10152.59


Cash Market Price Outlook For Deesa Spot

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	2850-2900	2900-2950
Medium Term (30 days)	2950-3000	3000-3050

Comparative Prices Of Castor Products Including Seed					
	29 th Jan '16	22 nd Jan '16	29 th Dec '15	Jan '15	Change
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	32500	34500	37500	43765	-25.74
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	82	87	93	133	-38.35
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	5400	5700	6000	7909	-31.72
Castor Oil (First Grade) FOB Kandla (Export)\$/Tonne	970	1020	1165	1426	-31.98
Local rates for oil in domestic market(Rs./M.T.) for comm.	67000	73000	78000	87740	-23.64

Source: SEA latest update is not available .

Technical Analysis:

Castor – Technical Outlook
Technical Commentary:

Futures Contracts Were
suspended on 27th 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
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 Avg. (Rs/ Quintal)		Change
Center		29th Jan to 4th Feb.16	22th Jan. to 28th Jan. 16	
Gujarat	Patan	3064	3264	-200
	Harij	3023	3220	-197
	Rajkot	2968	3171	-203
	Gondal	3081	3260	-179
	Deesa	3028	3183	-155
	Bhabar	3034	3222	-188
	Mehsana	2983	3218	-236
	Kadi	3034	3181	-147
	Sabarkatha	3013	3260	-248
	Gandhi Nagar	3071	3285	-214
	Ahmedabad (Sanand)	2974	3174	-200
	Halvad	3042	3200	-158
	Junagadh	2963	3214	-251
	Dhrol	2863	3048	-185
Rajasthan	Jodhpur	3238	3430	-193
	Sumerpur	2896	3129	-233

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		4-Feb-16	28-Jan-16	4-Jan-16	4-Feb-15
Gujarat	Patan	3175	3075	3700	4100
	Harij	3075	3050	3575	4025
	Rajkot	3085	3005	3465	3855
	Gondal	3205	3155	3430	3930
	Deesa	3100	3005	3600	4030
	Bhabar	3150	3035	3560	4125
	Mehsana	3050	2975	3540	3900
	Kadi	3135	3025	3625	4040
	Sabarkatha	3100	3050	3550	4000
	Gandhi Nagar	3175	3125	3580	4025

	Ahmedabad (Sanand)	3000	3055	3460	4250
	Halvad	3075	3025	3475	3900
	Junagadh	3025	2945	3505	3955
	Dhrol	2710	3000	3550	NR
Rajasthan	Jodhpur	3150	3220	3600	3600
	Sumerpur	3025	2950	3400	3800

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	Weekly Sum Arrivals (Quintal)		Change
		29th Jan to 4th Feb.16	22th Jan. to 28th Jan. 16	
Gujarat	Patan	4514	5386	-872
	Harij	3450	2550	900
	Rajkot	1051	1540	-489
	Gondal	679	878	-199
	Deesa	1786	1344	442
	Bhabar	6982	4909	2073
	Mehsana	376	460	-84
	Kadi	4168	6156	-1988
	Sabarkatha	713	788	-75
	Gandhi Nagar	1125	1088	38
	Ahmedabad (Sanand)	102	107	-6
	Halvad	1313	885	428
	Junagadh	120	137	-17
	Dhrol	39	18	21
Rajasthan	Jodhpur	92	220	-128
	Sumerpur	600	1000	-400
Total Arrivals/Above Markets		27108	27465	-356

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. Pressure on market is expected in April-2016.

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