

Castor Domestic Market Fundamentals:

Castor seed all India average price decreased by 3.88 % to Rs 2990.88 per qtl week on week basis. It was being traded at Rs 3111.72 per qtl. during the week ended 13th Feb-2016. More dip from current level is likely as pressure from new crop would increase. However, any steep fall in cash market is a remote possibility Current average price of seed is ruling lower by 17.96 % from mid Feb-2015..

India exported 10014.14 tonne castor oil during the week ended 7th Feb -2016. Average price realized at the rate of \$1193.83 per tonne, lower by 1.36 % from previous week. Price realization has decreased 1.8% to \$1193.83 per tonne in comparison to last week. Export demand is likely to continue as prices are ruling at lower level. Buyers are taking advantage of emerging scenario, as crop too is higher this year.

In Global Castor Conference, held in **Ahmadabad on 13th Feb-2016** experts estimated production at 14 lakh tonne. Total area coverage has been considered at 11.36 lakh ha. Average yield has been calculated @1229 kg /Ha. However, Panel members view differed. Gujarat production may touch 11.50 lakh tonne, Rajasthan may end up with 1.44 lakh tonne while AP/ Telangana may produce 79 thousand tones, others contribution has been pegged at 24 thousand tones.

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 2700/2800 in March –April this year.

Area coverage during kharif 2015 till 8th Oct-2015 was reported at 11.38 lakh ha, 8.34 % higher in comparison to 10.24 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.

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 550 per 20 kg. Agriwatch expects market to stay steady to week in the third 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.

Call:

Futures contracts have been suspended on 27th Jan-2016

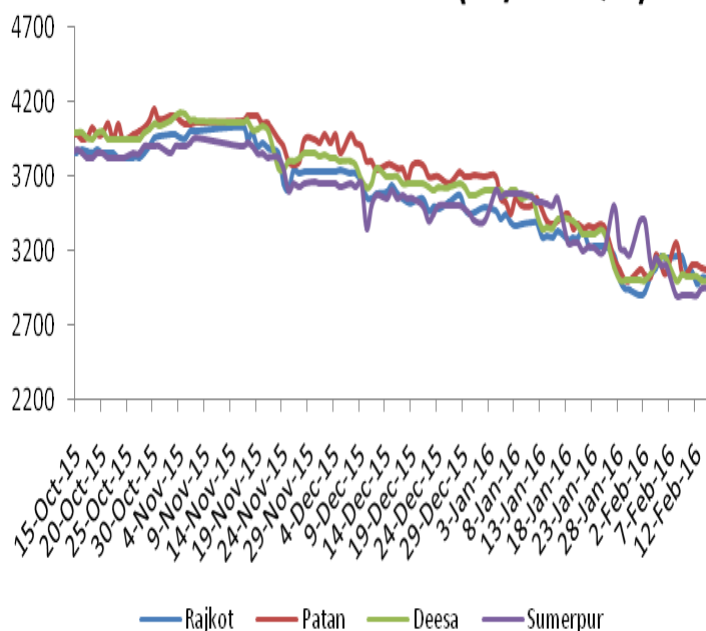
Stake holders in cash market should buy seed around Rs 2700 to Rs 2800 for stock purpose.

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 third week of Feb-2016 as inner tone remains weak. Agriwatch expects market to stay steady to slightly weak this week as supply demand side is balanced. Market may trade in the range of Rs 2750 to 2850 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 Rs 2700/2800 per qtl.

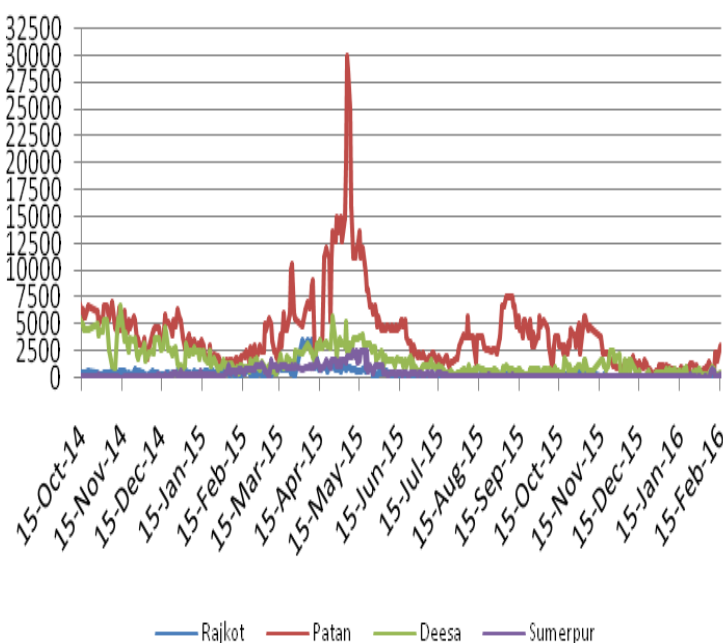
Higher area coverage and normal demand for oil from overseas market may continue to restrict one way uptrend. Production prospect is good and stock is ample. Expectation of early arrival too may weigh on market fundamentals.

Castor Seed Price Trend(Rs/Per Qtl.)

Castor Seed Arrival Chart:

Arrivals of seed have started increasing in all major markets despite lower price. Pressure would continue to rise as higher arrival is expected in the weeks ahead.

Stake holders would prefer to wait for stabilization in the cash market. Market participants say that arrival pace would increase as small farmers need money for various activities and they will continue to sell.

Arrivals have increased in Patan, Deesa and Sumerpur. It may be expected to touch its peak around mid April.

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.

India exported 10014.14 tonne castor oil during the week ended 7th Feb - 2016. Average price realized at the rate of \$1193.83 per tonne, lower by 1.36 % from previous week. Price realization has decreased 1.8% to \$1193.83 per tonne in comparison to last 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

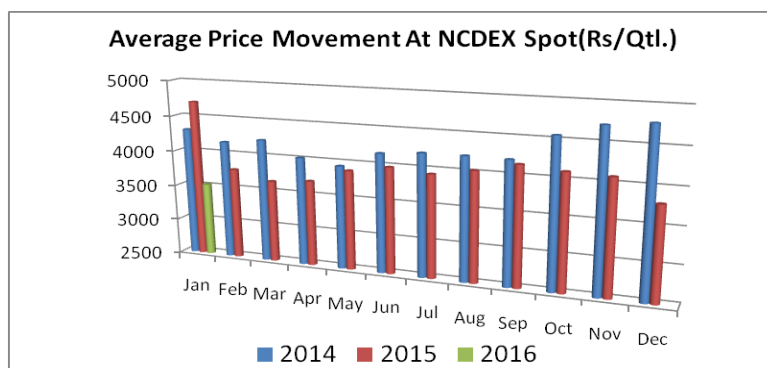
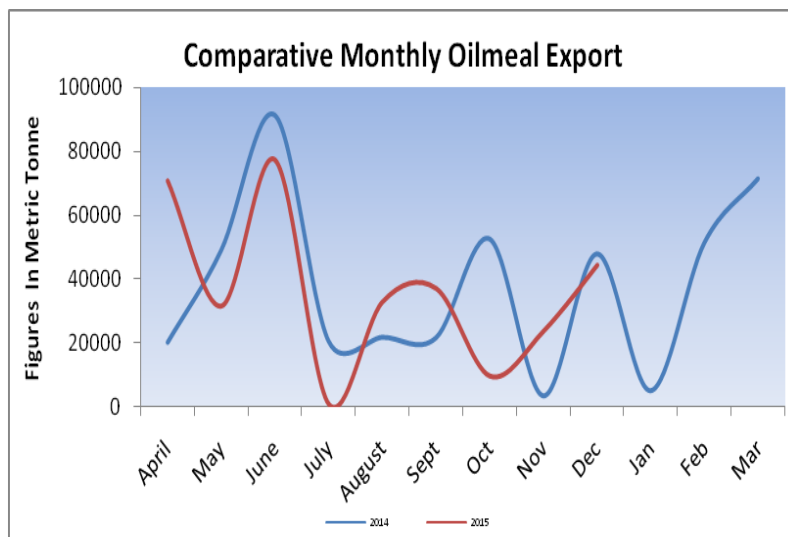
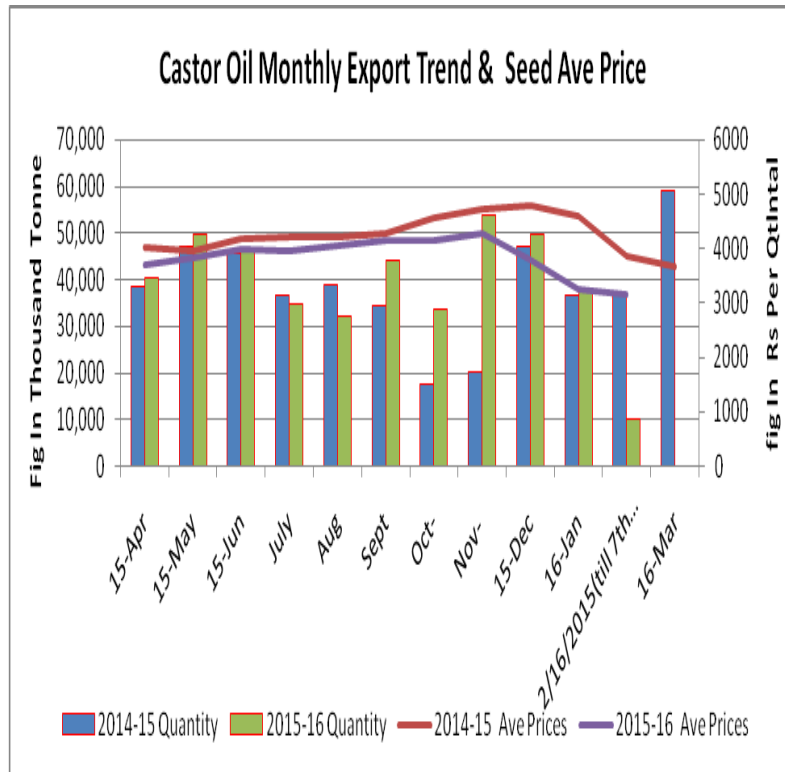
Castor meal export volume decreased by 7.91 percent in Dec in comparison to Nov and is likely to decrease in the weeks ahead as seed arrivals have decreased.

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 :

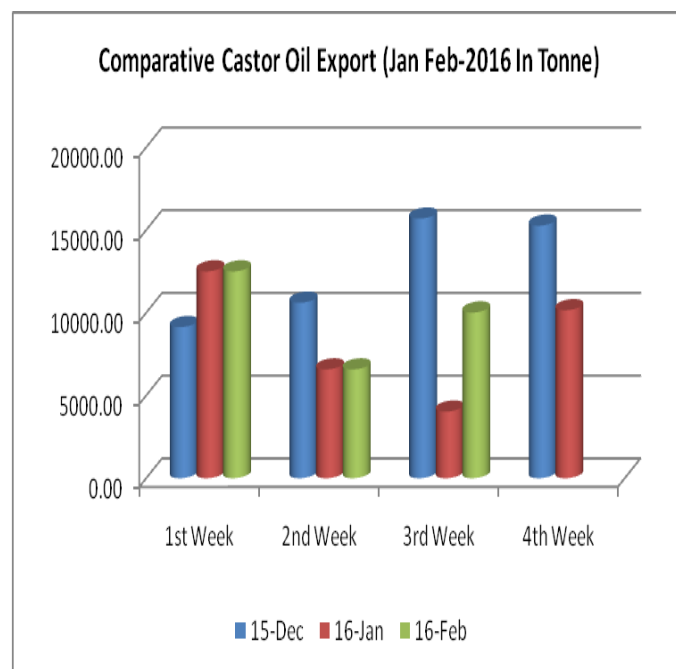
Note: Average Price: Till 29th Jan-2015

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:



15-Dec	16-Jan	16-Feb
9134.37	12500	12500.00
10606.6	6575	6575.00
15693.28	6624.08	10014.14
15265.94	4026.41	

Cas

tor Oil Weekly Export Volume:

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					
	5th Feb '16	29th Jan '16	5th Jan '16	5th Feb '15	Change %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	32500	32500	36250	38522	-18.53
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	78	82	90	130	-66.67
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	5100	5400	6000	7439	-45.86
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	960	970	1120	1298	-35.21
Local rates for oil in domestic market(Rs./M.T.) for comm.	57000	67000	77000	80609	-41.42

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 (Rs/ Quintal)		Change
Center		5th to 11th Feb.16	29th Jan to 4th Feb.16	
Gujarat	Patan	3102	3064	38
	Harij	3061	3023	38
	Rajkot	3092	2968	123
	Gondal	3105	3081	24
	Deesa	3050	3028	23
	Bhabar	3062	3034	28
	Mehsana	3027	2983	44
	Kadi	3035	3034	1
	Sabarkatha	3104	3013	92
	Gandhi Nagar	3093	3071	23
	Ahmedabad (Sanand)	2948	2974	-27
	Halvad	3023	3042	-19
	Junagadh	3113	2963	149
	Dhrol	3083	2863	221
Rajasthan	Jodhpur	3050	3238	-188
	Sumerpur	2938	2896	42

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		11-Feb-16	4-Feb-16	11-Jan-16	11-Feb-15
Gujarat	Patan	3100	3175	3500	3850
	Harij	3070	3075	3500	3875
	Rajkot	3055	3085	3385	3705
	Gondal	3055	3205	3380	3805
	Deesa	3030	3100	3570	3840
	Bhabar	3050	3150	3485	3800
	Mehsana	3025	3050	3450	3810
	Kadi	3005	3135	3510	3850

	Sabarkatha	3075	3100	3475	3850
	Gandhi Nagar	3075	3175	3500	3875
	Ahmedabad (Sanand)	2925	3000	3430	3930
	Halvad	3025	3075	3425	3875
	Junagadh	3110	3025	3425	3675
	Dhrol	2925	2710	3500	NR
Rajasthan	Jodhpur	3050	3150	3560	3600
	Sumerpur	2900	3025	3350	3675

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	Weekly Sum Arrivals (Quintal)		Change
		5th to 11th Feb.16	29th Jan to 4th Feb.16	
Gujarat	Patan	6887	4514	2374
	Harij	3825	3450	375
	Rajkot	1002	1051	-49
	Gondal	915	679	236
	Deesa	3928	1786	2142
	Bhabar	6213	6982	-769
	Mehsana	540	376	164
	Kadi	6528	4168	2360
	Sabarkatha	938	713	226
	Gandhi Nagar	1441	1125	316
	Ahmedabad (Sanand)	109	102	7
	Halvad	1350	1313	38
	Junagadh	115	120	-5
	Dhrol	42	39	3
Rajasthan	Jodhpur	92	92	Unch
	Sumerpur	720	600	120
Total Arrivals/Above Markets		34645	27108	7537

Outlook & Recommendation: Castor seed market is expected to trade steady to slightly weak despite lower arrival. Stockiest should buy seed around 2850 to 2950 per qtl. Pressure on market is expected in April-2016.

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