

### Castor Domestic Market Fundamentals:

Castor seed all India average price decreased by 3.66 % to Rs 2986.38 per qtl week on week basis. It was being traded at Rs 3099.96 per qtl. during the week ended 15<sup>th</sup> Feb-2016. More dip from current level is likely as pressure from new crop would increase. However, any steep fall in cash market seems a remote possibility Current average price of seed is ruling lower by 13.79 % from mid Feb-2015.

India exported 10369.6 tonne castor oil during the week ended 14<sup>th</sup> Feb -2016. Average price realized at the rate of \$1151.47 per tonne, lower by 3.68 % from previous week. Price realization has decreased from \$1193.83 to \$1151.47 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 said to be higher this year.

In Global Castor Conference, held in **Ahmadabad on 13<sup>th</sup> 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: -

Agricultural Statistics Division, Directorate of Economics & Statistics, India has published its second adv estimate for foodgrains on 15<sup>th</sup> Feb-2016 and estimated 17.27 lakh tonne castor seed production for 2015-16 crop year, to be marketed in MY 2016-17. The production target for the year had been fixed at 20.34 lakh tonne. India had produced 18.70 lakh tonne castor seed last year as per final estimate by DES. Against this private estimates hinges in the range of 14 to 15 lakh tonne for this year.

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 8<sup>th</sup> 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.

### 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 27<sup>th</sup> Jan-2016

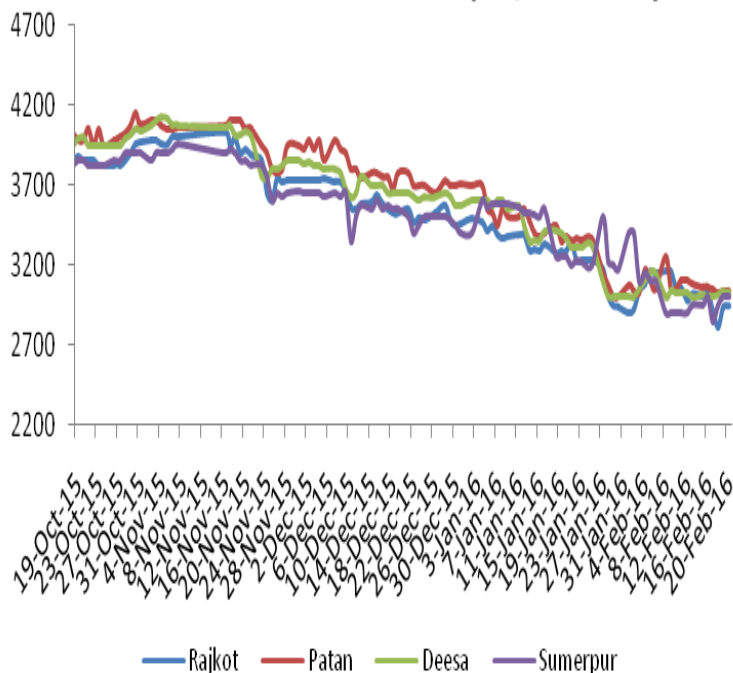
Stake holders in cash market should buy seed around Rs 2700 to Rs 2800 for stock purpose.

**Price Trend:**

With suspension of castor futures contract, cash market price continued to dip in recent week. However, market has recovered last week as sellers restricted selling at lower price. Any smart recovery is unlikely in the forth week of Feb-2016 as inner tone remains weak. Agriwatch expects market to stay steady to slightly firm 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 around Rs2700/2800 per qtl.

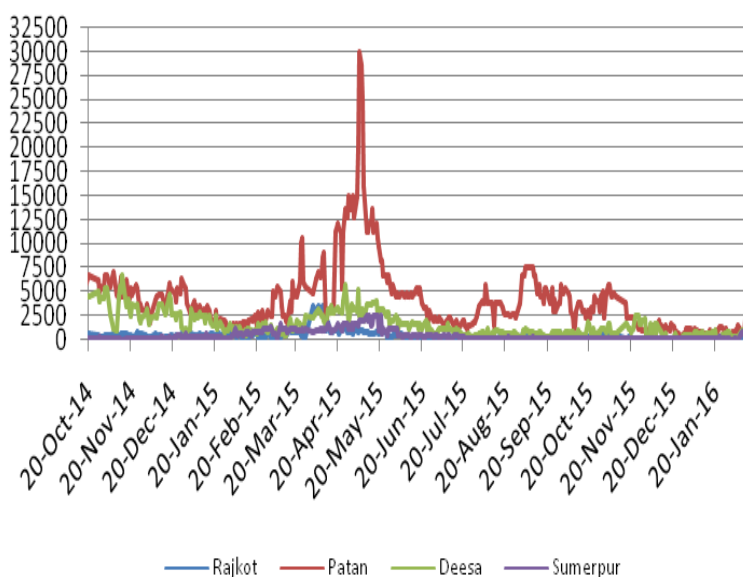
Higher area coverage and normal demand for oil from overseas market may continue to restrict one way uptrend. Production prospect is good and stock is ample. Expectation of early arrival too may weigh on market fundamentals.

**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 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 Feb-16 (till 14<sup>th</sup>) was registered at 20383 tonne. In Feb-15 India had exported around 37000 tonne.

India exported 10369.6 tonne castor oil during the week ended 14<sup>th</sup> Feb - 2016. Average price realized at the rate of \$1151.47 per tonne, lower by 3.68 % from previous week.

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.

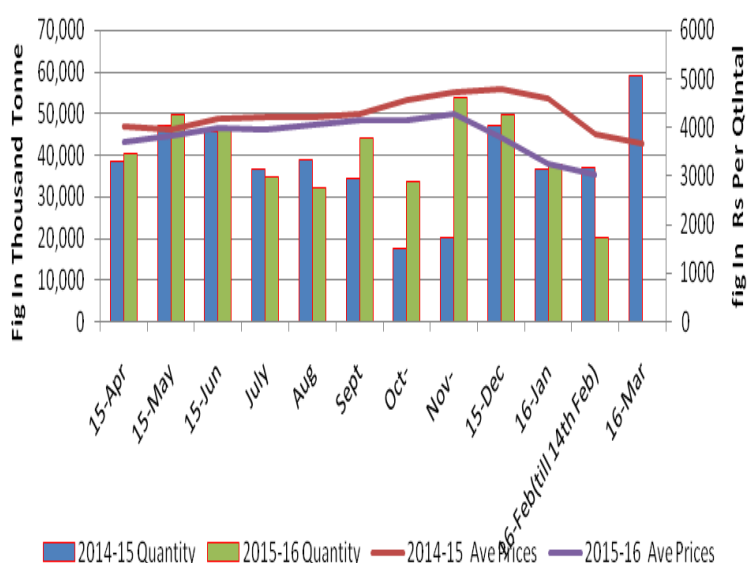
FOB quotes for meal too has decreased slightly this week from \$110 to \$106 per tonne. France bought 208.9 tonne meal last week at an ave price of \$164.65 per tonne. January data is awaited.

### Yearly Average Price Variations At NCDEX Spot :

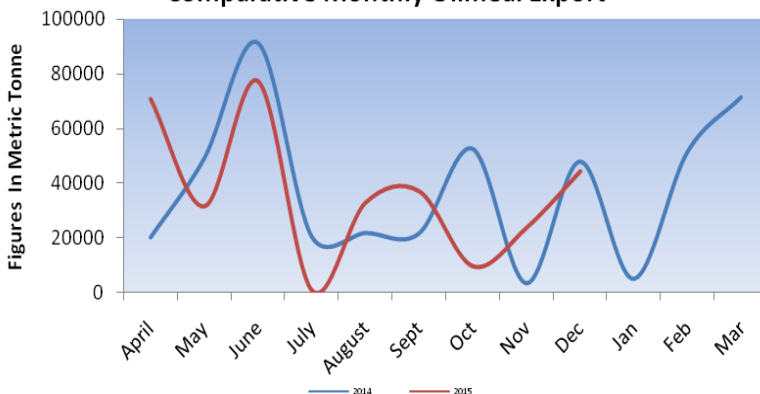
Note: Average Price: Till 27<sup>th</sup> Jan-2015

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.

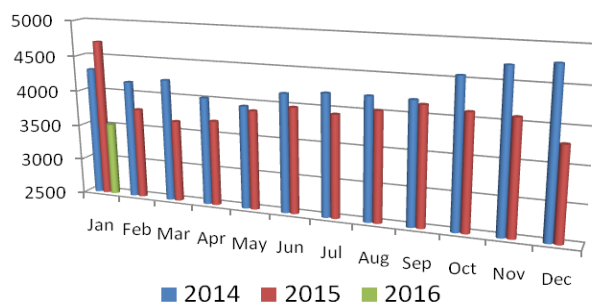
**Castor Oil Monthly Export Trend & Seed Ave Price**

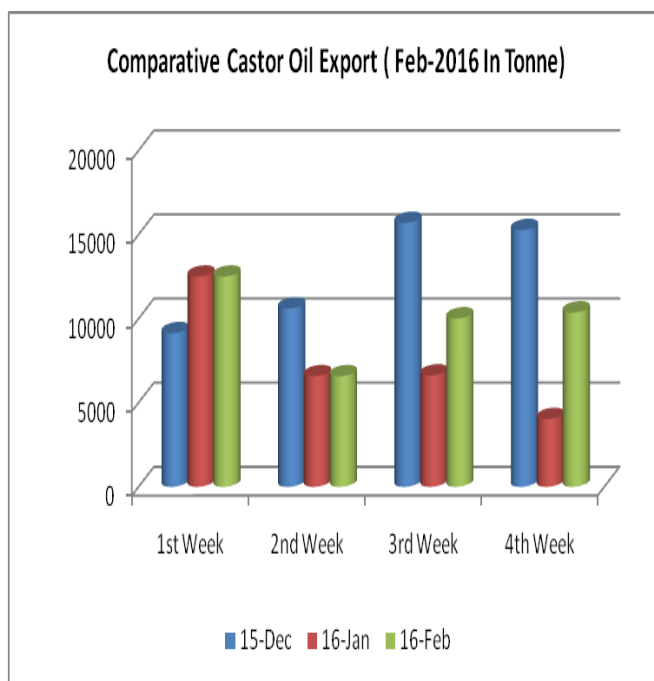


**Comparative Monthly Oilmeal Export**



**Average Price Movement At NCDEX Spot (Rs/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	<b>10014.14</b>
15265.94	4026.41	10369.6

**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					
	19th Feb '16	12th Feb '16	19th Jan '16	Feb '15	Change %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	32000	32500	35250	38522	<b>-16.93</b>
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	74	82	87	130	<b>-43.08</b>
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	5050	NA	5800	7339	<b>-32.11</b>
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	940	970	1040	1297	<b>-27.58</b>
Local rates for oil in domestic market(Rs./M.T.) for comm.	65500	62500	62500	65500	<b>-4.58</b>

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
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		12th to 18th Feb.16	5th to 11th Feb.16	
Gujarat	Patan	3055	3102	-47
	Harij	3049	3061	-12
	Rajkot	2963	3092	-129
	Gondal	3030	3105	-75
	Deesa	3008	3050	-42
	Bhabar	3036	3062	-26
	Mehsana	3005	3027	-22
	Kadi	3013	3035	-23
	Sabarkatha	3050	3104	-54
	Gandhi Nagar	3055	3093	-38
	Ahmedabad (Sanand)	2916	2948	-32
	Halvad	3045	3023	23
	Junagadh	3146	3113	33
	Dhrol	2834	3083	-249
Rajasthan	Jodhpur	2967	3050	-83
	Sumerpur	2954	2938	17

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

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		18-Feb-16	11-Feb-16	18-Jan-16	18-Feb-15
Gujarat	Patan	Closed	3100	3450	3670
	Harij	3075	3070	3425	3700
	Rajkot	2815	3055	3275	3595
	Gondal	3055	3055	3380	3630
	Deesa	3015	3030	3415	3645
	Bhabar	3035	3050	3425	3665
	Mehsana	3025	3025	3350	3600
	Kadi	3025	3005	3350	3750
	Sabarkatha	3100	3075	3375	3700
	Gandhi Nagar	3075	3075	3410	3725
	Ahmedabad (Sanand)	2950	2925	3355	3625

	Halvad	3050	3025	3350	3625
	Junagadh	3150	3110	3370	3515
	Dhrol	2805	2925	3195	0
<b>Rajasthan</b>	Jodhpur	2950	3050	3560	3500
	Sumerpur	2975	2900	3250	3500

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

Center	Market	Weekly Sum Arrivals (Quintal)		Change
		12th to 18th Feb.16	5th to 11th Feb.16	
<b>Gujarat</b>	Patan	8269	6887	<b>1382</b>
	Harij	3375	3825	<b>-450</b>
	Rajkot	1390	1002	<b>388</b>
	Gondal	834	915	<b>-81</b>
	Deesa	1602	3928	<b>-2327</b>
	Bhabar	5831	6213	<b>-382</b>
	Mehsana	480	540	<b>-60</b>
	Kadi	8632	6528	<b>2104</b>
	Sabarkatha	1163	938	<b>225</b>
	Gandhi Nagar	1275	1441	<b>-166</b>
	Ahmedabad (Sanand)	161	109	<b>52</b>
	Halvad	923	1350	<b>-428</b>
	Junagadh	91	115	<b>-24</b>
	Dhrol	57	42	<b>15</b>
<b>Rajasthan</b>	Jodhpur	148	92	<b>56</b>
	Sumerpur	1200	720	<b>480</b>
<b>Total Arrivals/Above Markets</b>		<b>35429</b>	<b>34645</b>	<b>785</b>

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

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