

Castor Weekly Research Report

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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 23rd Feb-2016. Slight dip from current level is likely as pressure from new crop would increase. However, any major dip in cash market seems a remote possibility as farmers may prefer to retain stock than to sell it at lower price. Current average price of seed is ruling lower by 17.96 % from end Feb-2015.

India exported **14035.49 tonne castor oil during the week ended 21st Feb -2016**. Average price realized at the rate of \$1162.47 per tonne, higher by 0.96 % from previous week. Price realization has increased from \$1151.47 to \$1162.47 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 at higher side 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 11.36lakh ha. Average yield has been calculated @1229 kg /Ha. However, Panal's members views 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 around two lakh tonne seed this year. However, private trade differs on area coverage.

Progressive Area Coverage: -

.Agricultural Statistics Division, Directorate of Economics & Statistics, India has published its second adv estimate for foodgrains on 15th 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 20.34lakh 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 at current level 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. farmers may retain 50 % stock in hope for better price in the second half.

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.

Outlook & Recommendation: -

Overall market sentiment remains steady to slightly 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 weak in the first week of March. Plants would source seed from old private stock and it would reduce old accumulated stock to a great extent in next one month.

Call:

Futures contracts have been suspended on 27th jan-2016

Stake holders in cash market should buy seed around Rs 2700 to Rs2800 for stock purpose.

Castor Seed Price Chart:

Price Trend:

After a month of suspension of castor futures contract, cash market price stayed steady after some dip in past weeks. Market has recovered last week as sellers restricted selling at lower price despite increasing arrivals in the markets.. However, any smart recovery is unlikely in the first week of Mar-2016 as inner tone remains weak. Agriwatch expects market to stay steady to slightly weak this week as supply demand side is balanced and buyers are unwilling to buy in bulk volume. 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 higher arrival too may weigh on market fundamentals.

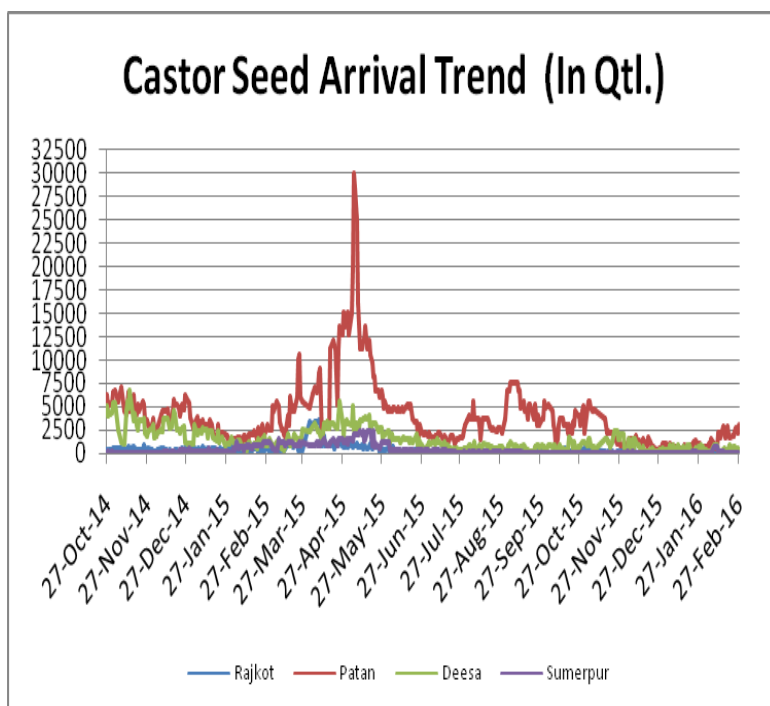
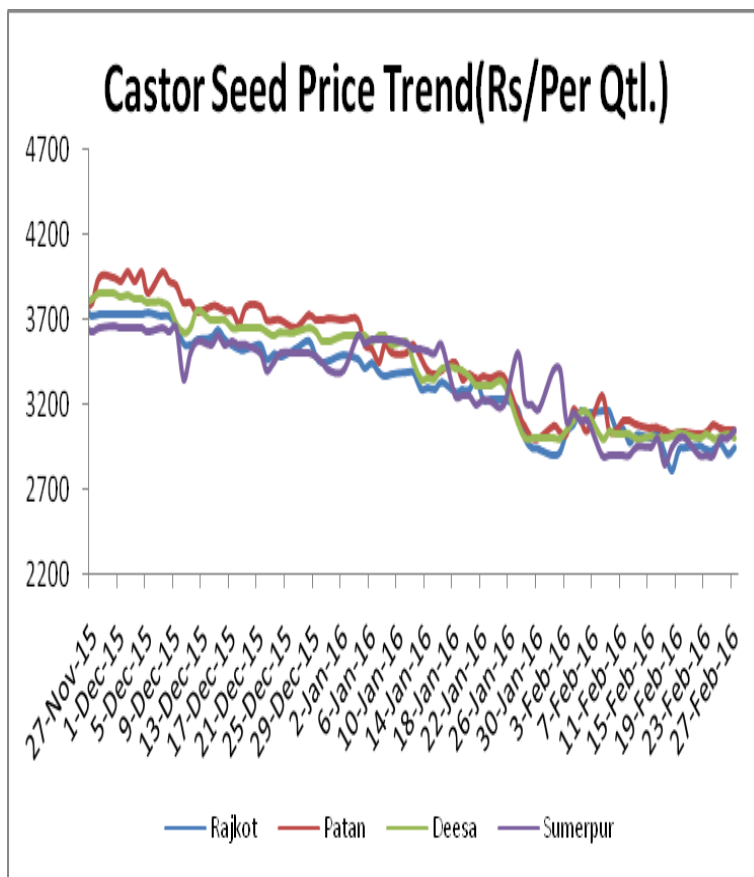
Castor Seed Arrival Chart:

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 is expected to touch its peak around mid April.

Overall arrival pace is lower than last year as prices of seed is ruling lower by 17 % from



last year at this point of time .

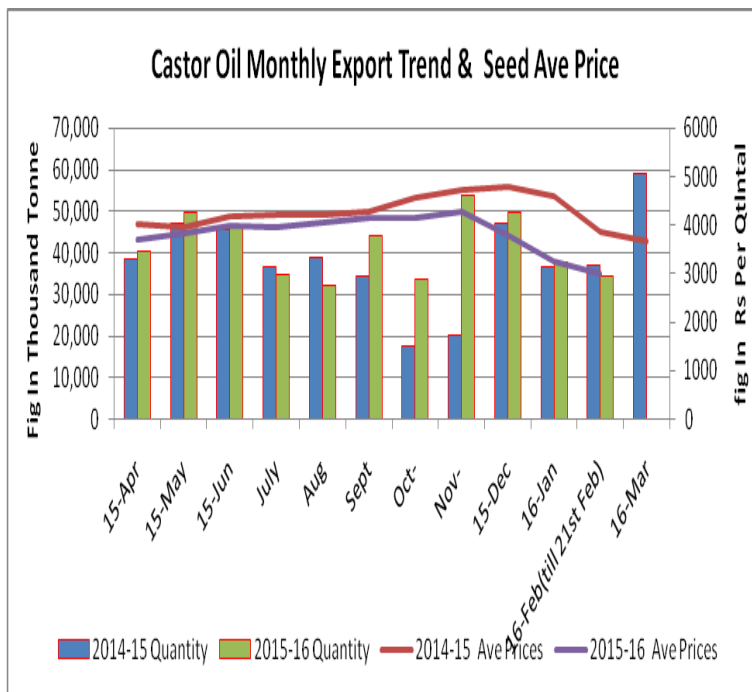
Castor Oil Export Trend:

The above given bar chart shows that castor oil export volume continued to rise from the beginning of this MY ending March-2016 in comparison to 2014-15. Slight decrease has been seen in Jan-Feb-2016. Total export in Feb-16 (till 21st) was registered at 34419.23 tonne. In Feb-15 India had exported around 37878.08 tonne.

India exported 14035.49 tonne castor oil during the week ended 21st Feb - 2016. Average price realized at the rate of \$1162.47 per tonne, higher by 0.96 % from previous week.

As prices of seed are expected to decrease slightly, FoB quotes are bound to trade weak once again in the near term. FoB quote may decrease further.

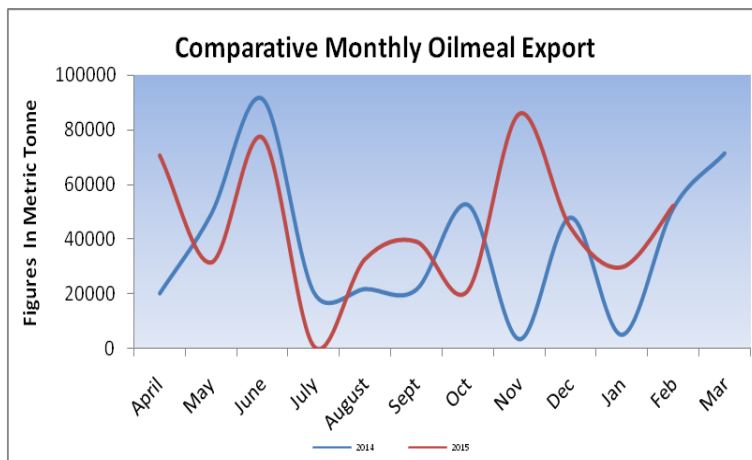
Source: IBIS/Agriwatch



Castor Meal Export

Castor meal export volume increased by 1.47 percent Till Feb third week in comparison to Feb-2015 and is likely to increase in the weeks ahead as seed arrivals have increased and decreased seed price.

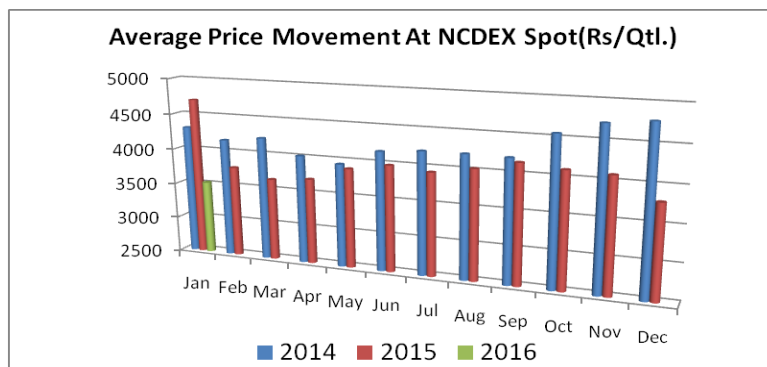
FOB quotes for meal too has decreased slightly this week from \$97 to \$95 per tonne. France bought 2208.9 tonne meal last week at an ave price of \$124.65 per tonne. Whole Feb Month Data is awaited .

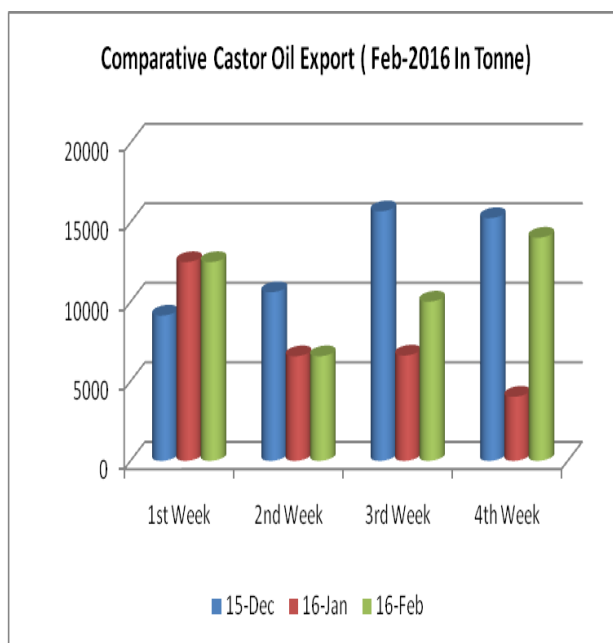


Yearly Average Price Variations At NCDEX Spot :

Note: Average Price: Till 27th 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	14035.49(till 21 st Feb)

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

	26th Feb '16	19th Feb '16	26th Jan '16	26th Feb '15	Change %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	31500	32000	34500	38522	-22.29
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	75	74	87	130	-73.33
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	5050	5050	5600	7439	-47.31
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	935	940	1010	1298	-38.82
Local rates for oil in domestic market(Rs./M.T.) for comm.	65300	65500	73000	80609	-23.44

Source:SEA.

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		19th to 25th Feb.16	12th to 18th Feb.16	
Gujarat	Patan	3053	3055	-3
	Harij	3038	3049	-12
	Rajkot	2945	2963	-18
	Gondal	3109	3030	79
	Deesa	3017	3008	9
	Bhabar	3026	3036	-10
	Mehsana	3000	3005	-5
	Kadi	3018	3013	6
	Sabarkatha	3011	3050	-39
	Gandhi Nagar	3061	3055	6
	Ahmedabad (Sanand)	2948	2916	32
	Halvad	3002	3045	-43
	Junagadh	3038	3146	-108
	Dhrol	2775	2834	-59
Rajasthan	Jodhpur	2967	2967	Unch
	Sumerpur	2921	2954	-33

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		25-Feb-16	18-Feb-16	25-Jan-16	25-Feb-15
Gujarat	Patan	3060	Closed	3365	3450
	Harij	2990	3075	3325	3450
	Rajkot	2975	2815	3225	3500
	Gondal	3130	3055	3330	3480
	Deesa	3010	3015	3325	3475
	Bhabar	3025	3035	3310	3475

	Mehsana	3000	3025	3325	3425
	Kadi	3030	3025	3250	3500
	Sabarkatha	3040	3100	3325	3550
	Gandhi Nagar	3065	3075	3350	3500
	Ahmedabad (Sanand)	2955	2950	3230	3350
	Halvad	3035	3050	3275	3350
	Junagadh	3025	3150	3335	3320
	Dhrol	2780	2805	3125	NA
Rajasthan	Jodhpur	3000	2950	3500	3400
	Sumerpur	2900	2975	3200	3300

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	Weekly Sum Arrivals (Quintal)		Change
		19th to 25th Feb.16	12th to 18th Feb.16	
Gujarat	Patan	8994	8269	725
	Harij	5325	3375	1950
	Rajkot	1657	1390	267
	Gondal	1148	834	314
	Deesa	3602	1602	2001
	Bhabar	6244	5831	413
	Mehsana	1260	480	780
	Kadi	8288	8632	-344
	Sabarkatha	1425	1163	263
	Gandhi Nagar	1838	1275	563
	Ahmedabad (Sanand)	124	161	-37
	Halvad	1200	923	278
	Junagadh	237	91	146
	Dhrol	26	57	-31
Rajasthan	Jodhpur	34	148	-114
	Sumerpur	2400	1200	1200
Total Arrivals/Above Markets		43802	35429	8373

Outlook & Recommendation: Castor seed market is expected to trade steady to slightly weak due to improved arrival and buyers restricted buying. Stockiest should buy seed around 2850 to 2950 per qtl. Pressure on market is expected in April-2016.

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