

Castor Weekly Research Report

Contents

- ❖ Outlook and Review
- ❖ Castor Seed price Chart
- ❖ Export
- ❖ NCDEX Spot Price
- ❖ Outlook
- ❖ Future Chart
- ❖ Progressive Sowing
- ❖ Weekly Spot Price change

Castor Domestic Market Fundamentals:

Castor seed all India average price increased by 2.90 % to Rs 3024.96 per qtl week on week basis. It was being traded at Rs 2939.61 per qtl. during the week ended 4th March-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 9.73 % from the first week of March-2015.

Despite disparity India exported 772.22 tonne wheat during week ended 28th Feb-2016 against 564 tonne previous week ending 21st. It has been exported at an ave FoB of \$284.72 per tonne. Buyers for the Indian wheat are UAE, Kuwait, Malaysia and Somalia. As prices are ruling higher in domestic market, export pace would remain slow despite new crop being round the corner as global wheat markets offer wheat at very attractive price.

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, 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 20.34 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 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 second 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 2800 to Rs 2900 for stock purpose.

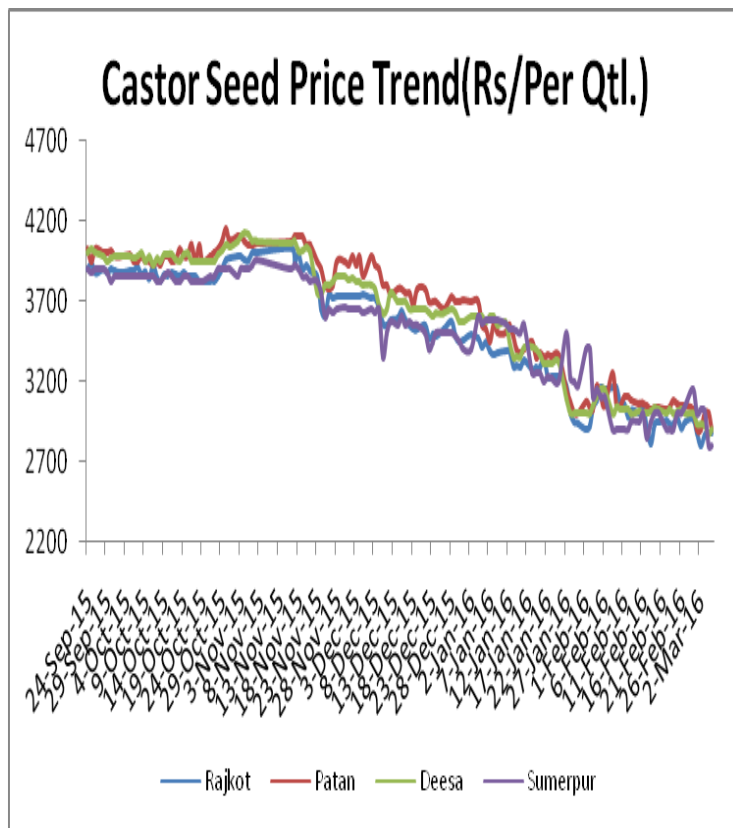
Castor Seed Price Chart:

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 (March) outlook remains weak as farmers continue to release stock at regular intervals with new arrival. 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.



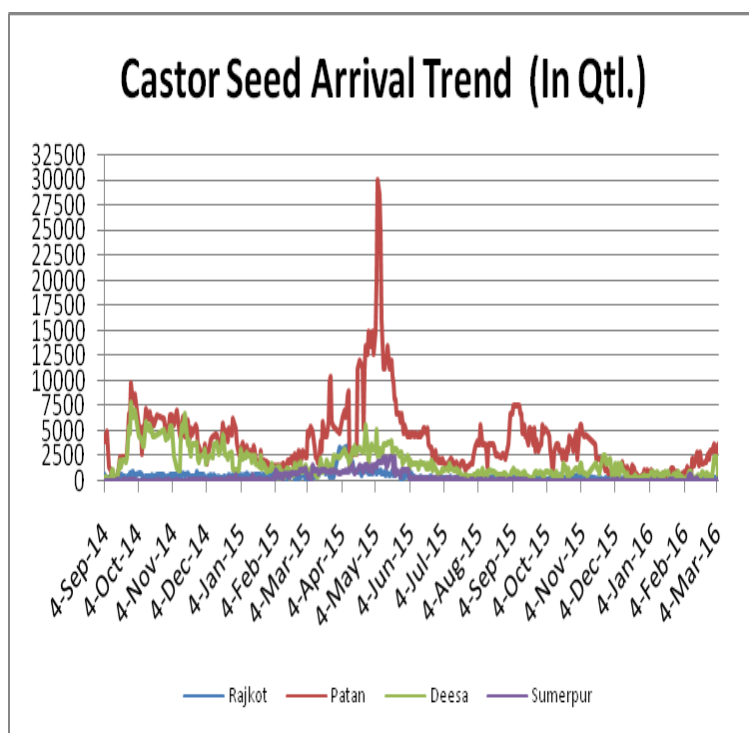
Castor Seed Arrival Chart:

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 9.83 % from last year at this point of time .



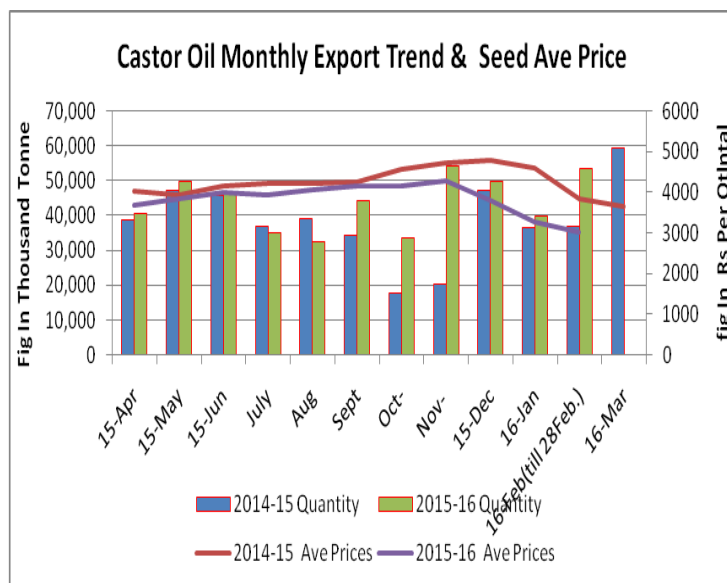
Castor Oil Export Trend:

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 28st) was registered over 53000 tonne. In Feb-15 India had exported around 37878.08 tonne.

India exported 18827.53 tonne castor oil during the week ended 28 Feb -2016. Average price realized at the rate of \$1140.69 per tonne, lowerer by 1.87 % 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.

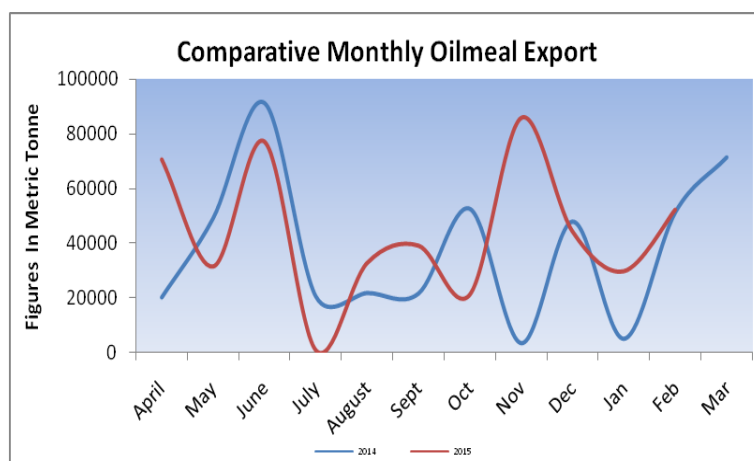
Source: IBIS/Agriwatch



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.

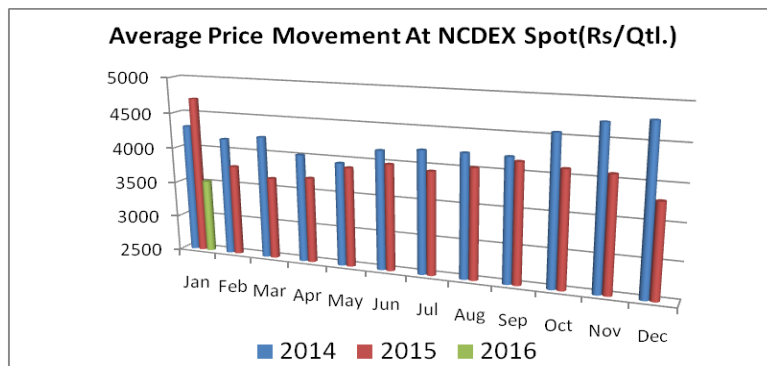
FOB quotes for meal too has decreased slightly this week from \$97 to \$95 per tonne. France bought 2208.9 tonne meal last week at an ave price of \$124.65 per tonne. Whole Feb Month Data is awaited .

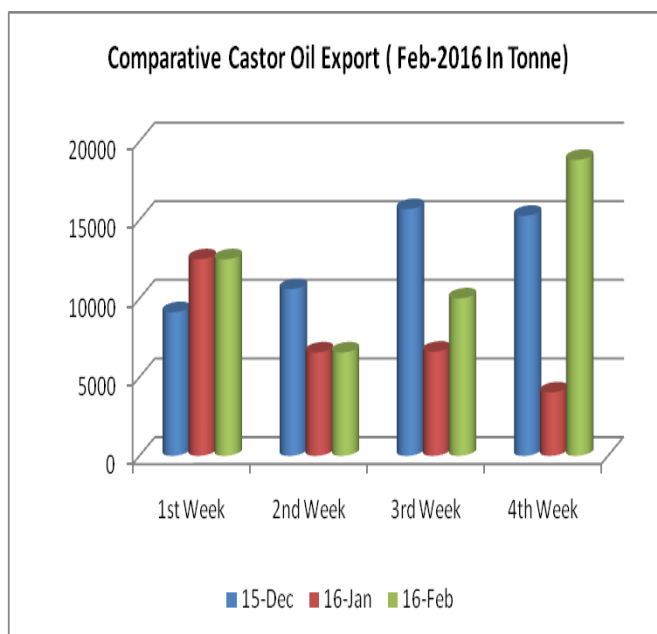


Yearly Average Price Variations At NCDEX Spot :

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	18827.53(till 28 th 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					
	4 th Mar '16	26 th Feb '16	4 th Feb '16	Average Mar '15	Change %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	30500	31500	32000	35765	-14.72
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	75	75	78	115	-34.78
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	4975	5050	5100	6494	-23.39
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	925	935	950	1203	-23.11
Local rates for oil in domestic market(Rs./M.T.) for comm.	62500	65300	66000	74583	-16.20

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		26 th to 3 rd Mar.16	19 th to 25 th Feb.16	
Gujarat	Patan	2988	3053	-65
	Harij	2960	3038	-78
	Rajkot	2896	2945	-49
	Gondal	3043	3109	-66
	Deesa	2970	3017	-47
	Bhabar	2943	3026	-83
	Mehsana	2961	3000	-39
	Kadi	2960	3018	-58
	Sabarkatha	2964	3011	-47
	Gandhi Nagar	3012	3061	-49
	Ahmedabad (Sanand)	2924	2948	-24
	Halvad	2971	3002	-31
	Junagadh	2981	3038	-57
	Dhrol	2822	2775	47
Rajasthan	Jodhpur	3041	2967	74
	Sumerpur	2888	2921	-33

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		3-Mar-16	25-Feb-16	1-Feb-16	4-Mar-15
Gujarat	Patan	3000	3060	3075	3550
	Harij	2875	2990	3025	3475
	Rajkot	2870	2975	2905	3500
	Gondal	3080	3130	3060	3530
	Deesa	2925	3010	3005	3500
	Bhabar	2885	3025	2975	3540
	Mehsana	2875	3000	2975	3500
	Kadi	2890	3030	3015	3600
	Sabarkatha	2875	3040	3000	3525

	Gandhi Nagar	2975	3065	3025	3525
	Ahmedabad (Sanand)	NR	2955	2935	3450
	Halvad	2900	3035	3050	3400
	Junagadh	3000	3025	2825	3425
	Dhrol	NR	2780	3000	0
Rajasthan	Jodhpur	3020	3000	3400	3400
	Sumerpur	2775	2900	2850	3300

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	Weekly Sum Arrivals (Quintal)		Change
		26 th to 3 rd Mar.16	19 th to 25 th Feb.16	
Gujarat	Patan	16875	8994	7881
	Harij	7275	5325	1950
	Rajkot	1150	1657	-507
	Gondal	1605	1148	457
	Deesa	8121	3602	4519
	Bhabar	14925	6244	8681
	Mehsana	1920	1260	660
	Kadi	12800	8288	4512
	Sabarkatha	1875	1425	450
	Gandhi Nagar	2250	1838	413
	Ahmedabad (Sanand)	206	124	82
	Halvad	1313	1200	113
	Junagadh	260	237	23
	Dhrol	61	26	35
Rajasthan	Jodhpur	145	34	111
	Sumerpur	2480	2400	80
Total Arrivals/Above Markets		73261	43802	29459

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.

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php> © 2016 Indian Agribusiness Systems Pvt Ltd.