

Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

Castor seed all India average price decreased by 1.70 % to Rs 2974.82 per qtl week on week basis. It was being traded at Rs 3026.49 per qtl. during the week ended 7th 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 11.35 % from the second week of March-2015.

India exported 8494.36 T castor oil during week ended 6th March-2016 at an average price of \$1062.91 per tonne. It is lower by 54.88% from previous week. Price realization too has decreased by 6.82 % from last week. The minimum and maximum prices were registered at \$1618 and 837.80 per tonne. Castor oil export would continue to stay steady as prices are lower and availability is higher.

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 third 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 2750 to Rs 2850 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 third week of Mar-2016 as inner tone remains weak. Agriwatch expects market to stay steady to slightly weak this week.

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:

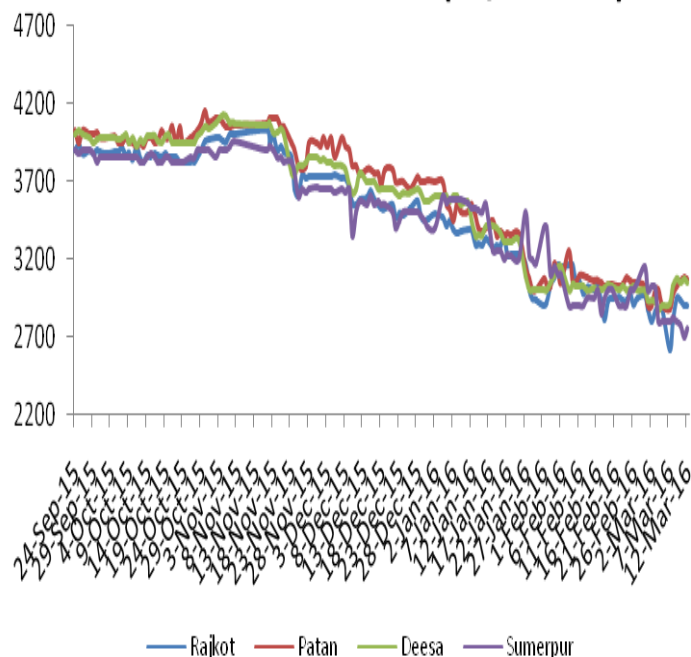
Arrivals of seed have started increasing in all major markets despite lower price. Pressure would continue to rise as higher arrival is expected in the weeks ahead.

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 farming activities and they will continue to sell half of their produce.

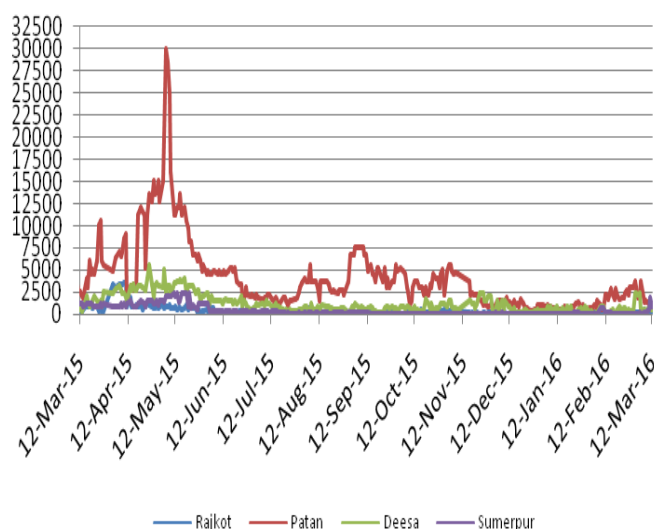
Arrivals have increased in Patan, Deesa and Sumerpur. It is expected to touch its peak around mid April.

Overall arrival pace is lower than last year as prices of seed is ruling lower by 11.35 % from last year at this point of time .

Castor Seed Price Trend(Rs/Per Qtl.)



Castor Seed Arrival Trend (In Qtl.)



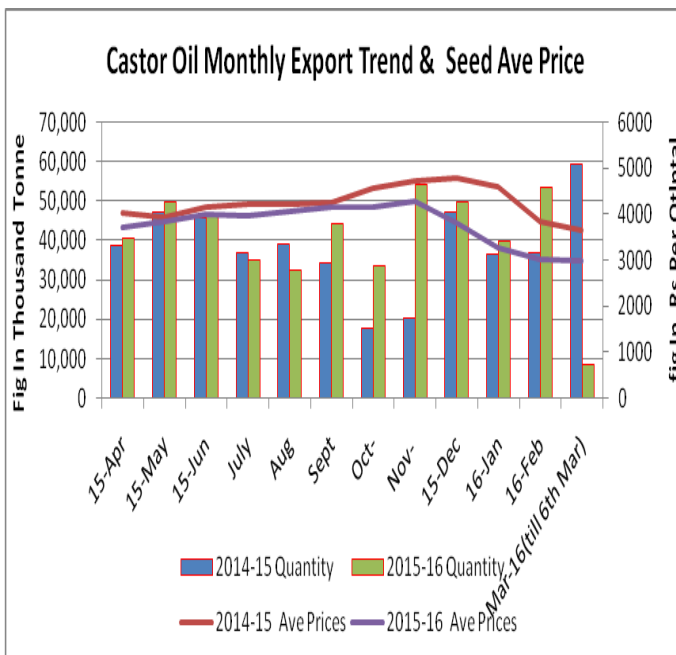
Castor Oil Export Trend:

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 Mar-16 (till 6th) was registered over 8494.36 tonne. In March-15 India had exported around 59294 tonne.

India exported 8494.36 tonne castor oil during the week ended 6th March -2016. Average price realized at the rate of \$1062.91 per tonne, lower by 6.82 % 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.

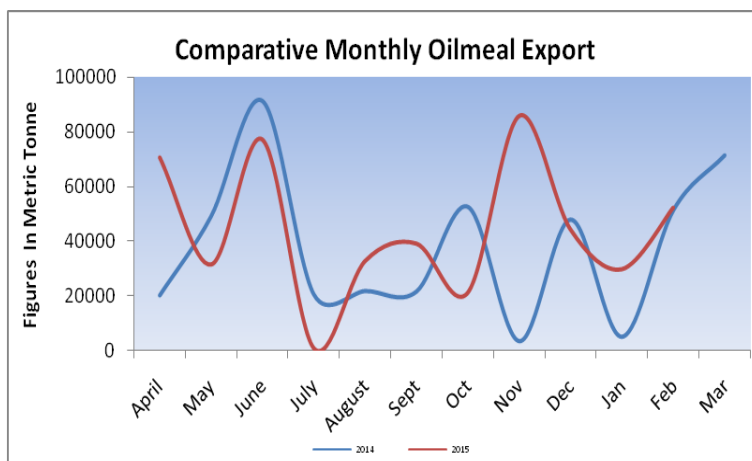
Source: IBIS/Agriwatch



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.

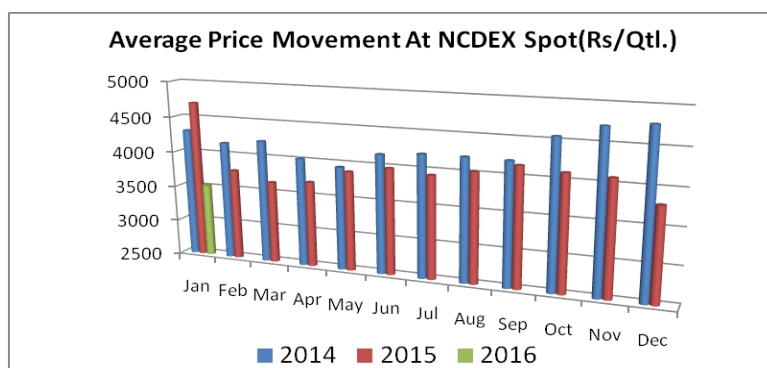


Yearly Average Price Variations At NCDEX Spot :

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:



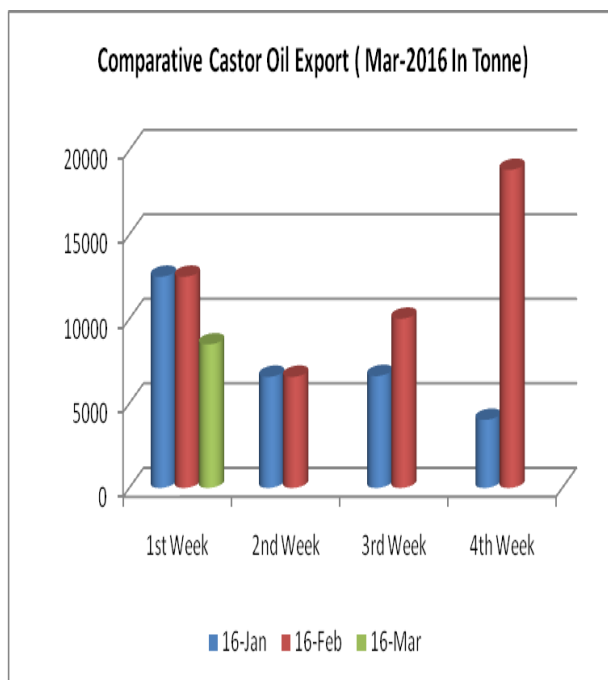


Fig. In Tonne	15-Dec	16-Jan	16-Feb	16-Mar
1st Week	9134.37	12500	12500.00	8494.36
2nd Week	10606.6	6575	6575.00	
3rd Week	15693.28	6624.08	10014.14	
4th Week	15265.94	4026.41	18827.53	
5th Week		10152.59		

Cash Market Price Outlook For Deesa Spot

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	2750-2850	2850-2900
Medium Term (30 days)	2900-3000	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		4th to 10th Mar.16	29th to 3rd Mar.16	
Gujarat	Patan	2950	3055	-105
	Harij	2915	3049	-134
	Rajkot	2797	2963	-166
	Gondal	2999	3030	-31
	Deesa	2959	3008	-49
	Bhabar	2934	3036	-102
	Mehsana	2898	3005	-107
	Kadi	2935	3013	-78
	Sabarkatha	2915	3050	-135
	Gandhi Nagar	2945	3055	-110
	Ahmedabad (Sanand)	2864	2916	-52
	Halvad	2875	3045	-170
	Junagadh	2973	3146	-173
	Dhrol	2713	2834	-122
Rajasthan	Jodhpur	2813	2967	-154
	Sumerpur	2819	2954	-135

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		10-Mar-16	3-Mar-16	8-Feb-16	11-Mar-15
Gujarat	Patan	3075	3000	3250	3475
	Harij	3025	2875	3060	3500
	Rajkot	2950	2870	3160	3425
	Gondal	3055	3080	3180	3530
	Deesa	3075	2925	3000	NA
	Bhabar	3050	2885	3060	3500
	Mehsana	2990	2875	3025	3500
	Kadi	2900	2890	3070	3560
	Sabarkatha	3025	2875	3125	3500

	Gandhi Nagar	3060	2975	3125	3500
	Ahmedabad (Sanand)	2925	2850	2950	3275
	Halvad	2800	2900	3050	3400
	Junagadh	2950	3000	3090	NA
	Dhrol	2750	2930	3000	3270
Rajasthan	Jodhpur	NA	3020	3050	3400
	Sumerpur	2920	2775	2900	3300

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	Weekly Sum Arrivals (Quintal)		Change
		4th to 10th Mar.16	29th to 3rd Mar.16	
Gujarat	Patan	17625	16875	750
	Harij	6675	7275	-600
	Rajkot	1735	1150	585
	Gondal	1198	1605	-407
	Deesa	3449	8120	-4671
	Bhabar	14400	14925	-525
	Mehsana	2200	1920	280
	Kadi	7680	12800	-5120
	Sabarkatha	1950	1875	75
	Gandhi Nagar	2139	2252	-113
	Ahmedabad (Sanand)	182	206	-24
	Halvad	1351	1313	38
	Junagadh	83	260	-177
	Dhrol	38	61	-23
Rajasthan	Jodhpur	260	145	115
	Sumerpur	3440	2480	960
Total Arrivals/Above Markets		64405	73262	-8857

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 2800 to 2900 per qtl. Higher pressure on market is expected in April-2016.

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