

Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

All India average price of Castor seed increased by 0.49 % to Rs 3041.14 per qtl week on week basis. It was being traded at Rs 3026.18 per qtl. during the week ended 8th March-2016. Fresh buying interest by plants, stockiest verve at current price and regular import have lent support to cash market. Market is expected to stabilize at current level as farmers are unwilling to sell below Rs 600 per 20 kg. If prices decrease below Rs 600/20 kg, they may prefer to retain stock than to sell it at lower price. Current average price of seed is ruling lower by 9.37 % from the second week of March-2015.

India exported 14263.29 T castor oil during week ended 13th March-2016 at an average price of \$1084.88 per tonne. It is higher by 67.91 % from previous week. Price realization too has increased by 2.07 % from last week. The maximum and minimum prices were registered at \$2758.78 and 882.75 per tonne. Castor oil export would continue to stay steady as prices are lower than normal expectation and availability is higher. Major importers like China, EU and Malaysia are stocking oil taking advantage of lower price.

Castor meal export increased by 11.49 percent from 335337 to 373871 tonne during April-15 to Jan-2016 and given the export trend it may cross last year's level of 458406 tonne in full financial year. Availability is higher and prices are ruling lower; hence Agriwatch expects demand to continue.

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's members' views were varied. Gujarat production may touch 11.50 lakh tonne, Rajasthan may end up with 1.44 lakh tonne while AP/ Telangana may produce 79 thousand tons, others' contribution has been pegged at 24 thousand tonnes.

Progressive Area Coverage: -

Agricultural Statistics Division, Directorate of Economics & Statistics, India has published its second adv estimate for food grains 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 hinge in the range of 14 to 15 lakh tonne for this year.

Seed buyers are willing to buy new crop at current level as prices seem stable now. Plants are active and they have consumed their old stock. Fresh buying for crushing and stock purpose may lend support to cash market. In major mandis trading activities have started gaining momentum. Buying interest may be seen at Rs 2900/3000 in March – April this year. Other factors that may support price are farmers' intention for retention and slower pace of arrivals in mandis.

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 firm 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 600 per 20 kg. Agriwatch expects market to stay steady to firm in the third-fourth week of March.

Call:

Futures contracts have been suspended on 27th Jan-2016

Stake holders in cash market should buy seed around Rs 2850 to Rs 2950 for stock purpose.

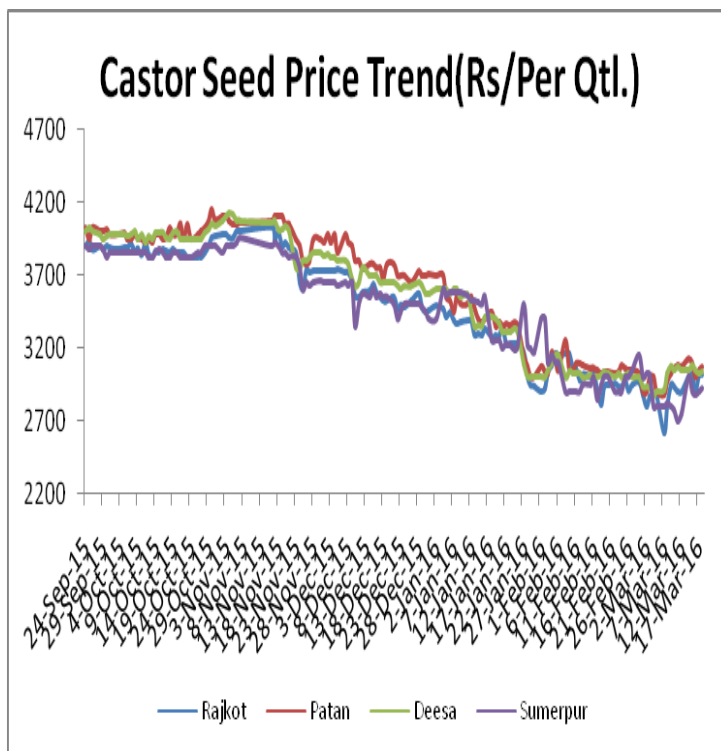
Castor Seed Price Chart:

Price Trend:

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 fourth week of Mar-2016. Agriwatch expects market to stay steady to slightly firm this week.

Seed market is expected to hover in range of Rs 2950 to Rs 3050 per qtl. Higher increase was seen in Patan and Deesa where stockiest are active. Plants too are buying seed in other mandis of Gujarat.

Higher area coverage and normal demand for oil from overseas market may continue to restrict one way uptrend. Market should stabilize at current level.



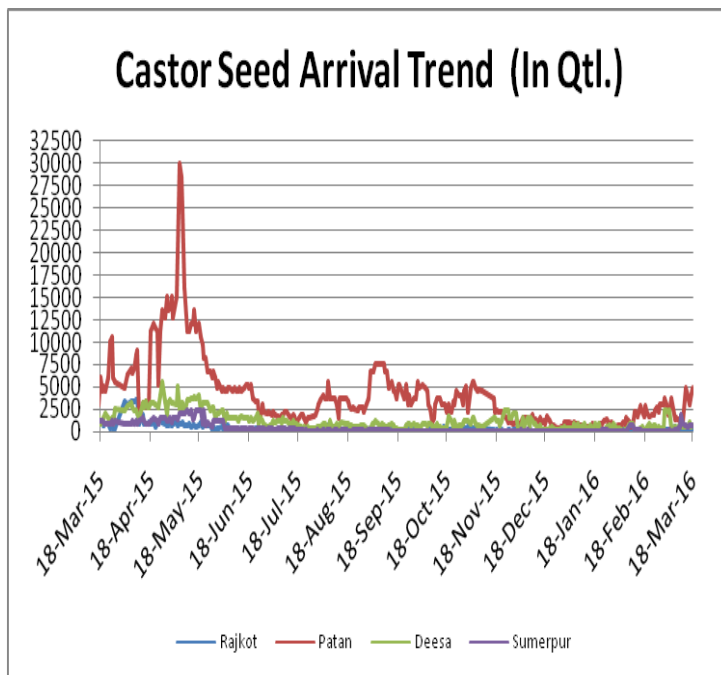
Castor Seed Arrival Chart:

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.

However, overall arrival pace is lower than last year as prices of seed is ruling lower by 9.53 % from last year at this point of time .



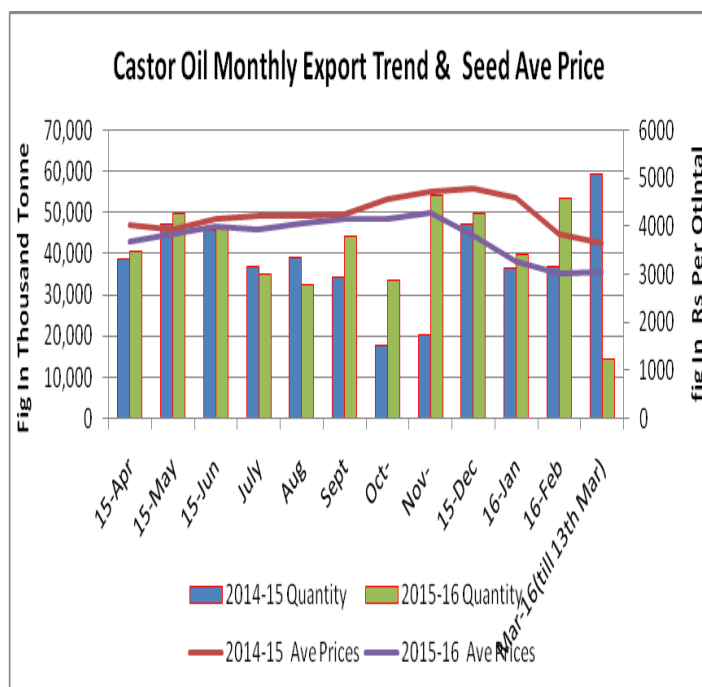
Castor Oil Export Trend:

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 Mar-16 (till 13th) was registered over 14263.29 tonne. In March-15 India had exported around 59294 tonne.

India exported 14263.29 tonne castor oil during the week ended 13th March -2016. Average price realized at the rate of \$1084.88 per tonne, higher by 2.07 % from previous week.

As prices of seed are expected to stay steady, FoB quotes too may move range bound in the weeks ahead.

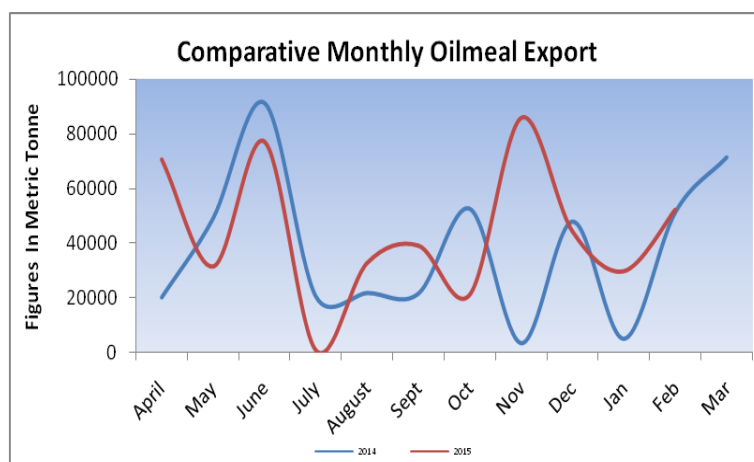
Source: IBIS/Agriwatch



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.

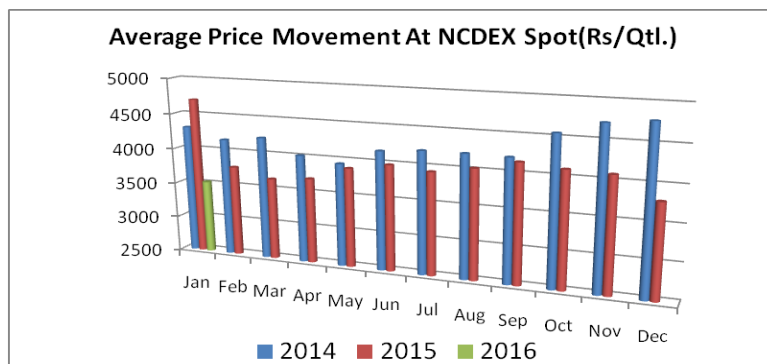
FOB quotes for meal too has decreased slightly this week from \$97 to \$95 per tonne. France bought 2208.9 tonne meal last week at an ave price of \$124.65 per tonne. Entire Feb Month Data is awaited.



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:

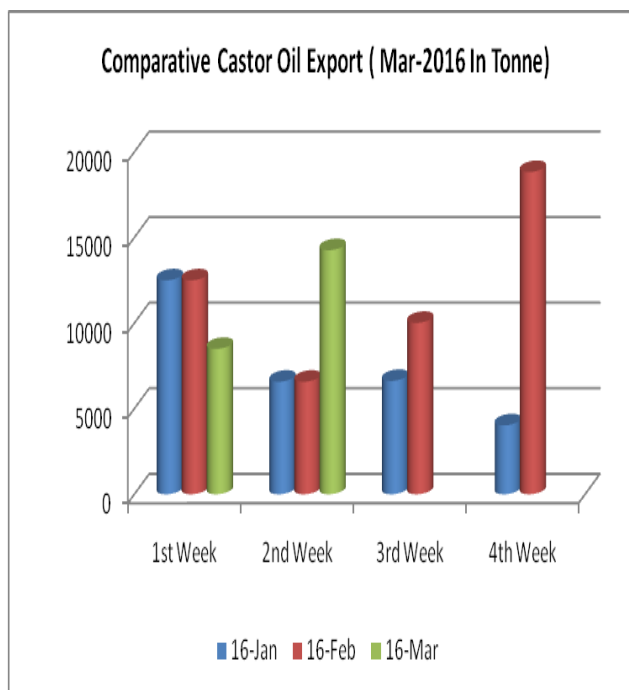


Fig. In Tonne	15-Dec	16-Jan	16-Feb	16-Mar
1st Week	9134.37	12500	12500.00	8494.36
2nd Week	10606.6	6575	6575.00	14263.29
3rd Week	15693.28	6624.08	10014.14	
4th Week	15265.94	4026.41	18827.53	
5th Week		10152.59		

Cash Market Price Outlook For Deesa Spot

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	2850-2950	2950-3000
Medium Term (30 days)	3000-3050	3050-3100

Comparative Prices Of Castor Products Including Seed					
	11th Mar '16	4th Mar '16	11th Feb '16	11th Mar '15	Change %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	31250	30500	32000	35765	-14.45
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	75	75	77	115	-53.33
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	4850	4975	4900	6494	-33.90
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	940	925	945	1203	-27.98
Local rates for oil in domestic market(Rs./M.T.) for comm.	64000	62500	66500	74583	-16.54

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		11th to 17th Mar.16	4th to 10th Mar.16	
Gujarat	Patan	3071	2950	121
	Harij	3061	2915	146
	Rajkot	2963	2797	166
	Gondal	3102	2999	103
	Deesa	3055	2959	96
	Bhabar	3063	2934	129
	Mehsana	3049	2898	151
	Kadi	3046	2935	111
	Sabarkatha	3064	2915	149
	Gandhi Nagar	3094	2945	149
	Ahmedabad (Sanand)	2990	2864	126
	Halvad	2958	2875	83
	Junagadh	3088	2973	115
	Dhrol	2816	2713	103
Rajasthan	Jodhpur	2825	2813	13
	Sumerpur	2925	2819	106

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		17-Mar-16	10-Mar-16	17-Feb-16	17-Mar-15
Gujarat	Patan	3050	3075	3025	3650
	Harij	3025	3025	3035	3525
	Rajkot	3015	2950	2915	3545
	Gondal	3030	3055	3055	3605
	Deesa	3030	3075	3005	3555
	Bhabar	3040	3050	3040	3525
	Mehsana	3025	2990	3000	3500
	Kadi	3000	2900	3025	3550

	Sabarkatha	3050	3025	3050	3550
	Gandhi Nagar	3075	3060	3050	3550
	Ahmedabad (Sanand)	2985	2925	2925	3300
	Halvad	3000	2800	3025	3400
	Junagadh	3120	2950	3140	3515
	Dhrol	2915	2750	2905	3455
Rajasthan	Jodhpur	2900	2825	2850	3400
	Sumerpur	2900	2920	2975	3375

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	Weekly Sum Arrivals (Quintal)		Change
		11th to 17th Mar.16	4th to 10th Mar.16	
Gujarat	Patan	24000	17625	6375
	Harij	8400	6675	1725
	Rajkot	1702	1735	-33
	Gondal	2643	1198	1445
	Deesa	3803	3449	354
	Bhabar	14175	14400	-225
	Mehsana	3280	2200	1080
	Kadi	12840	7680	5160
	Sabarkatha	3000	1950	1050
	Gandhi Nagar	3263	2139	1124
	Ahmedabad (Sanand)	63	182	-118
	Halvad	4500	1351	3149
	Junagadh	215	83	132
	Dhrol	304	38	266
Rajasthan	Jodhpur	3703	260	3443
	Sumerpur	3600	3440	160
Total Arrivals/Above Markets		89491	64405	25086

Outlook & Recommendation:

Castor seed market is expected to trade steady to slightly firm due to fresh buying interest from plants and stockiest. Farmers too have restricted selling at current price while demand for oil continues from importers. Stockiest should buy seed around 2950 to 3000 per qtl.

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