

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:

All India average prices of Castor seed decreased by 1.55 % to Rs 2969.85 per qtl week on week basis. It was being traded at Rs 3016.69 per qtl. during the week ended 23rd March-2016. Weak buying interest by plants, stockiest at current price and subdued import demand have restricted cash market from getting firmer. 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 14.84 % from the third week of March-2015.

India exported 11614.2 T castor oil during week ended 20th March-2016 at an average price of \$1095.61 per tonne. It is lower by 18.57 % from previous week. However, price realization too has increased by 0.99 % from last week. The maximum and minimum prices were registered at \$2500.00 and 882.45 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. Last week India exported 2596.39 T castor meal at an ave price of \$119.39 per T.

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 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 unwilling to buy new crop at current level as prices seem unstable due to restricted demand from bulk buyers. Plants are inactive at current price and they are consuming their old stock. Fresh buying for crushing and stock purpose may be seen from Mid April when prices are expected to stabilize. Buying interest may be seen at Rs 2900/3000 in Mid-April this year. Other factors that may stabilize prices are farmers' intention for retention and slower pace of arrivals in mandis due to continuous holidays.

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 600 per 20 kg. Agriwatch expects market to stay steady to weak in first week of April due to poor demand.

Call:

Futures contracts have been suspended on 27th Jan-2016

Stake holders in cash market should buy seed around Rs 2850 to Rs2950 for stock purpose.

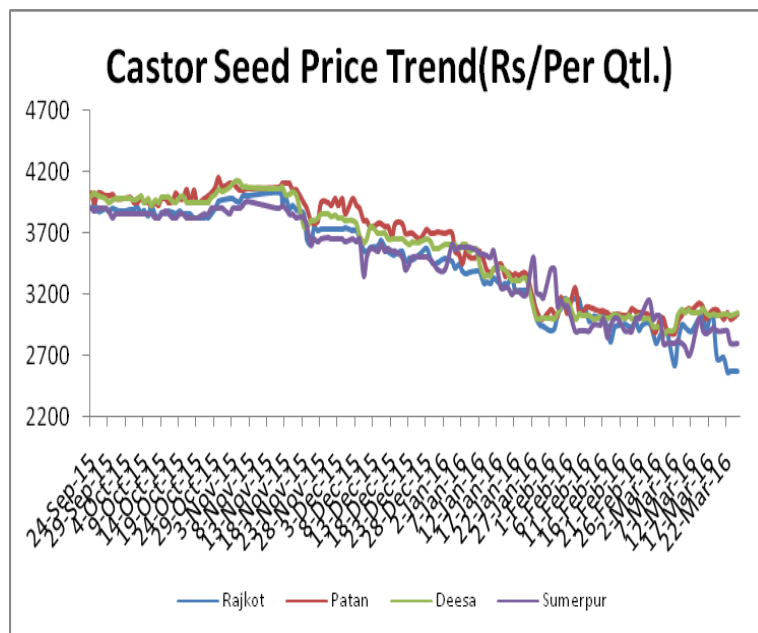
Castor Seed Price Chart:

Price Trend:

Market has decreased last week due to weak demand and higher availability likely from new crop. Any smart recovery at this point of time is unlikely in the first week of April-2016. Agriwatch expects market to stay steady to slightly weak in April..

Seed market is expected to hover in range of Rs 2850 to Rs 2950 per qtl. Higher increase was seen in Patan and Deesa where stockiest are active.

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



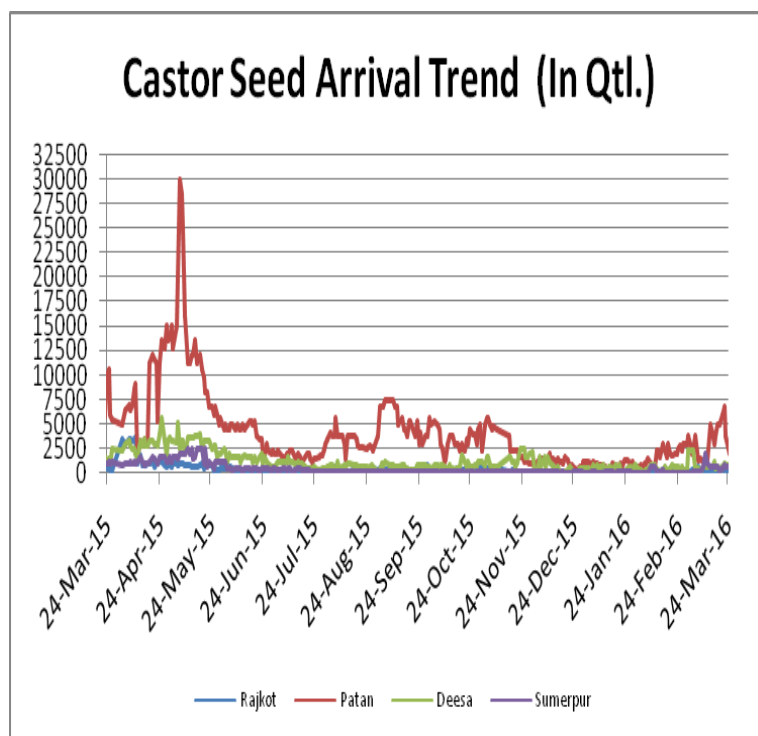
Castor Seed Arrival Chart:

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 14.81 % from last year at this point of time .



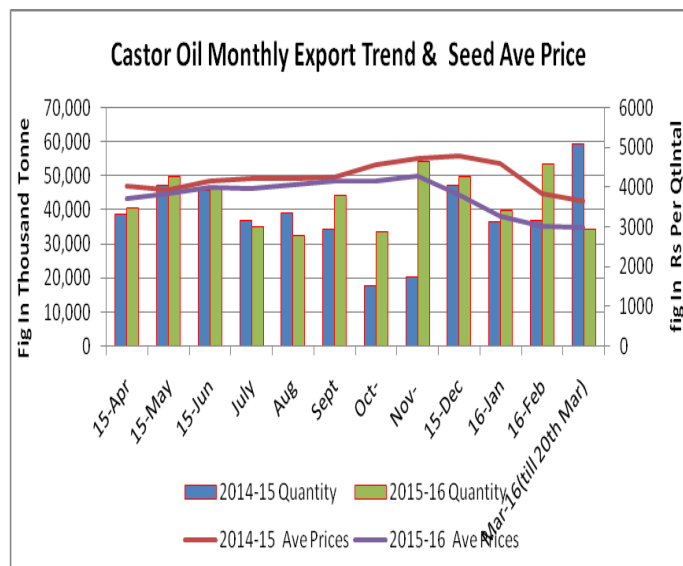
Castor Oil Export Trend:

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 20 th) was registered over 34371 tonne. In March-15 India had exported around 59294 tonne.

India exported 11614.2 tonne castor oil during the week ended 20th March -2016. Average price realized at the rate of \$1095.61 per tonne, higher by 0.99 % from previous week.

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

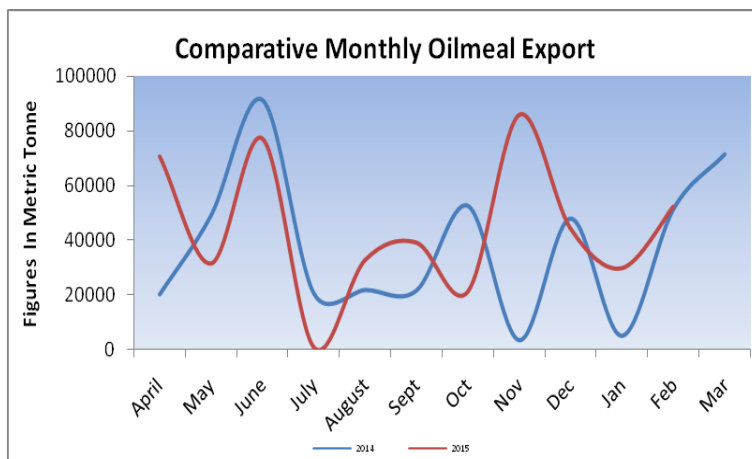
Source: IBIS/Agriwatch



Castor Meal Export

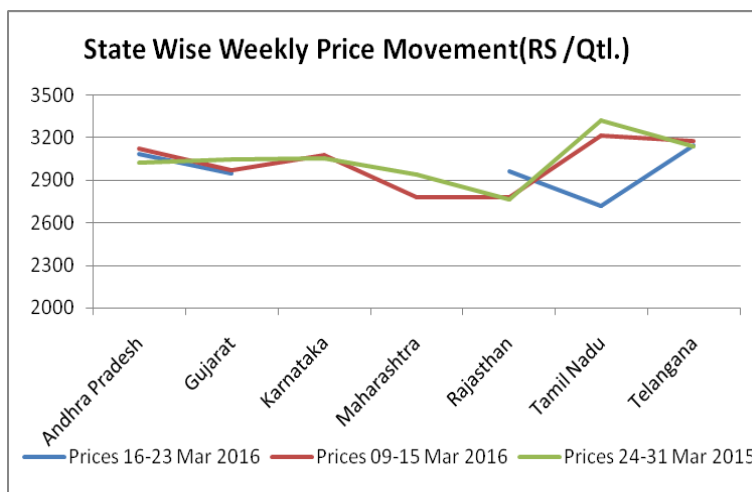
Castor meal export volume increased by 1.47 percent Till Feb third week in comparison to Feb-2015 and is likely to increase in the weeks ahead as seed arrivals have increased and decreased seed price.

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.



State Wise Weekly Price Trend :

	Prices 16-23 Mar 2016	Prices 09-15 Mar 2016	Prices 24-31 Mar 2015
Prices 24-31 Mar 2016	Mar 2016	Mar 2016	Mar 2015
Andhra Pradesh	3084.87	3118.58	3024.84
Gujarat	2945.44	2972.95	3047.12
Karnataka		3077	3057.14
Maharashtra		2777.78	2937.5
Rajasthan	2962.72	2781.17	2762.85
Tamil Nadu	2715	3212	3319
Telangana	3141.23	3177.33	3139.56
Average	2969.85	3016.69	3041.14



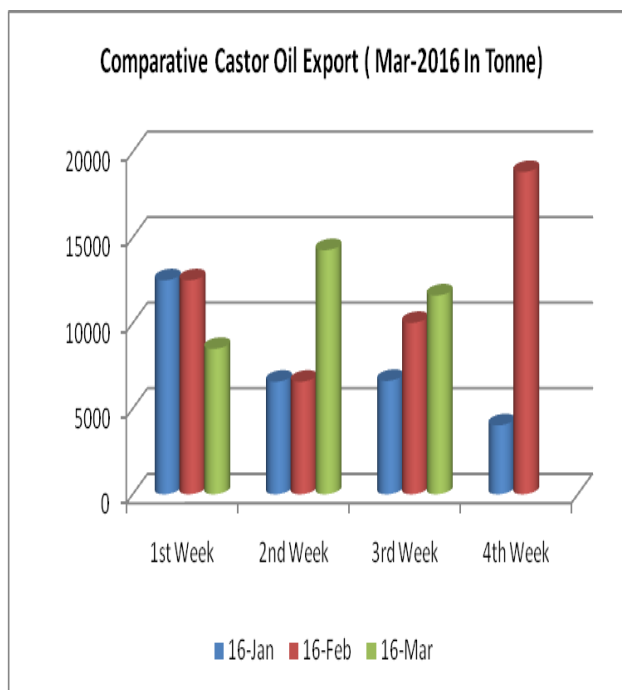
Castor Oil Weekly Export Volume:


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	11614.2
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					
	18th Mar '16	11th Mar '16	18th Feb '16	18th Mar '15	Change %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	31000	31250	32000	35765	-15.37
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	73	75	76	115	-57.53
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	4800	4850	5000	6494	-35.29
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	960	940	945	1203	-25.31
Local rates for oil in domestic market(Rs./M.T.) for comm.	65500	64000	65500	74583	-13.87

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		18th to 23th Mar.16	11th to 17th Mar.16	
Gujarat	Patan	3032	3071	-39
	Harij	3031	3061	-30
	Rajkot	2983	2963	21
	Gondal	3070	3102	-32
	Deesa	3036	3055	-19
	Bhabar	3025	3063	-38
	Mehsana	3028	3049	-22
	Kadi	3020	3046	-26
	Sabarkatha	3050	3064	-14
	Gandhi Nagar	3070	3094	-24
	Ahmedabad (Sanand)	2928	2990	-63
	Halvad	3020	2958	62
	Junagadh	3068	3088	-20
	Dhrol	2853	2816	37
Rajasthan	Jodhpur	2850	2825	25
	Sumerpur	2970	2925	45

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		23-Mar-16	17-Mar-16	23-Feb-16	23-Mar-15
Gujarat	Patan	3035	3050	3040	3525
	Harij	Closed	3025	3025	3560
	Rajkot	NR	3015	2930	3460
	Gondal	3055	3030	3130	3580
	Deesa	Closed	3030	3025	3580
	Bhabar	Closed	3040	3025	3535
	Mehsana	Closed	3025	3000	3500
	Kadi	Closed	3000	3050	3525

	Sabarkatha	3025	3050	3025	3575
	Gandhi Nagar	Closed	3075	3075	3590
	Ahmedabad (Sanand)	NR	2985	2950	3425
	Halvad	3000	3000	3025	3500
	Junagadh	NA	3120	3040	3415
	Dhrol	NA	2915	2690	3390
Rajasthan	Jodhpur	Closed	2900	2900	3400
	Sumerpur	3025	2900	2900	3375

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	Weekly Sum Arrivals (Quintal)		Change
		18th to 23th Mar.16	11th to 17th Mar.16	
Gujarat	Patan	23405	24000	-596
	Harij	5100	8400	-3300
	Rajkot	1041	1702	-661
	Gondal	2419	2643	-224
	Deesa	3195	3803	-608
	Bhabar	5325	14175	-8850
	Mehsana	1440	3280	-1840
	Kadi	7680	12840	-5160
	Sabarkatha	2025	3000	-975
	Gandhi Nagar	2850	3263	-413
	Ahmedabad (Sanand)	121	63	58
	Halvad	4350	4500	-150
	Junagadh	160	215	-55
	Dhrol	115	304	-190
Rajasthan	Jodhpur	212	3703	-3491
	Sumerpur	2560	3600	-1040
Total Arrivals/Above Markets		61997	89491	-27494

Outlook & Recommendation:

Castor seed market is expected to trade steady to slightly weak due to poor buying interest from plants and stockiest. Importers too have restricted oil buying as they expect market to decrease from current level. Stockiest should buy seed around 2850 to 2900 per qtl.

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.