

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 0.53 % to Rs 3000.64 per qtl week on week basis. It was being traded at Rs 3016.72 per qtl. during the week ended 23rd March-2016. Weak buying interest by plants, and stockiest at current price and subdued import demand have restricted cash market from getting firmer. Markets remained mostly closed in the last week of March. 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 13.95 % from the fourth week of March-2015.

Weekly data still awaited for last week of March. 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.

Weekly data awaited .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.

Physical trade remained almost halted due to year end March closing and traders remained engaged in settling their accounts. 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 2800/2900 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. Agriwatch expects market to stay steady to weak in first week of April due to poor demand and year end settlement of account.

Call:

Futures contracts have been suspended on 27th Jan-2016

Stake holders in cash market should buy seed around Rs 2850 to Rs2900 for stock purpose.

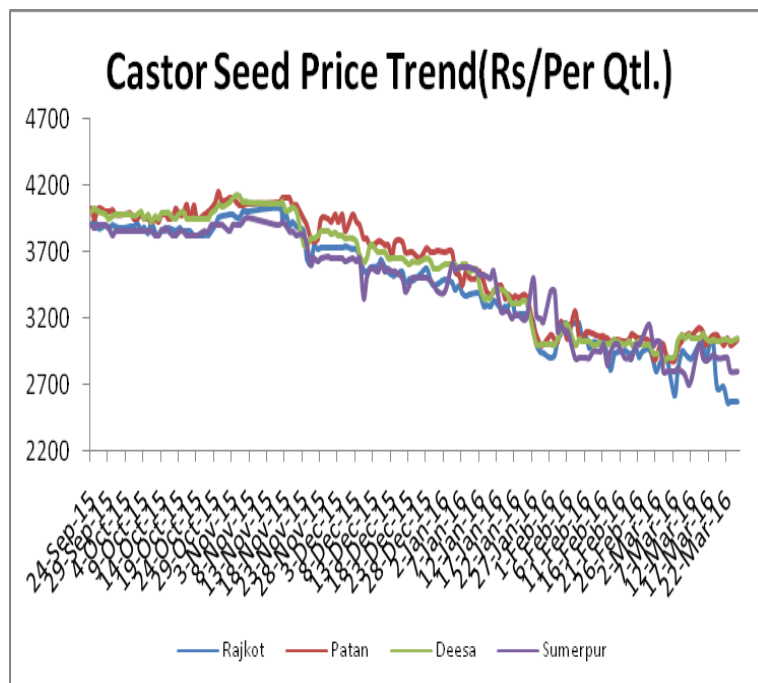
Castor Seed Price Chart:

Price Trend:

Market remained mostly closed due to March closing in the last week of March. Fresh trade is expected from mid April. 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 2800 to Rs 2900 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.



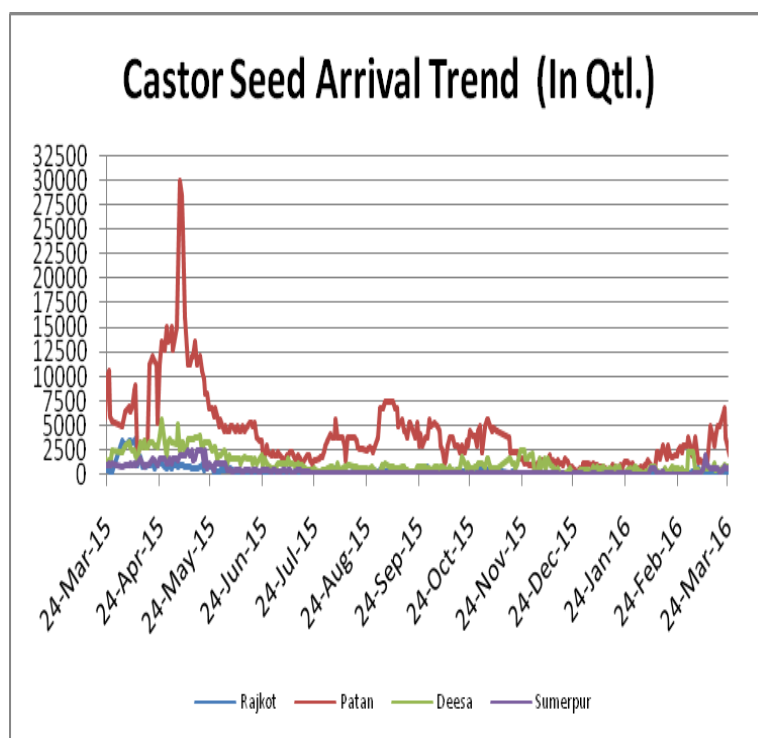
Castor Seed Arrival Chart:

Arrival of seed is expected to increase in all major markets by second week of April despite lower price. Pressure would continue to rise as Market has opened after a week.

Stake holders would prefer to wait for stabilization in the cash market. Market participants say that pace of arrival would increase as small farmers need money for various farming activities and they will continue to sell half of their produce.

In third week of March arrivals had increased in Patan, Deesa and Sumerpur. It is expected to touch its peak by end April.

However, overall arrival pace is lower than last year as prices of seed is ruling lower by 13.95 % from last year at this point of time .



Castor Oil Export Trend:

Data is awaited for last week of March. 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.

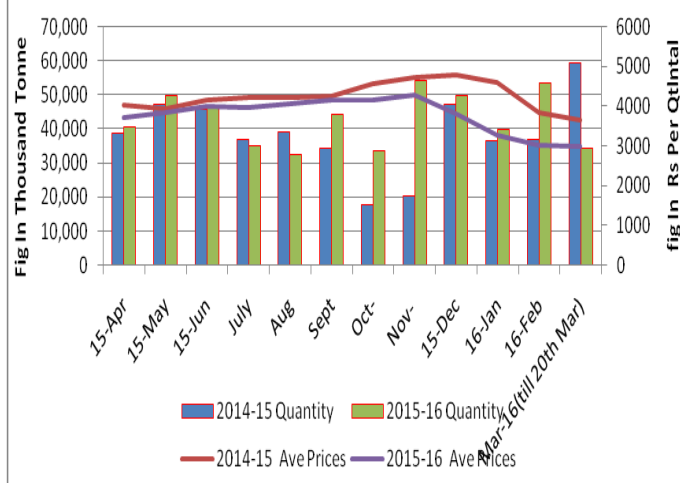
Source: IBIS/Agriwatch

Castor Meal Export

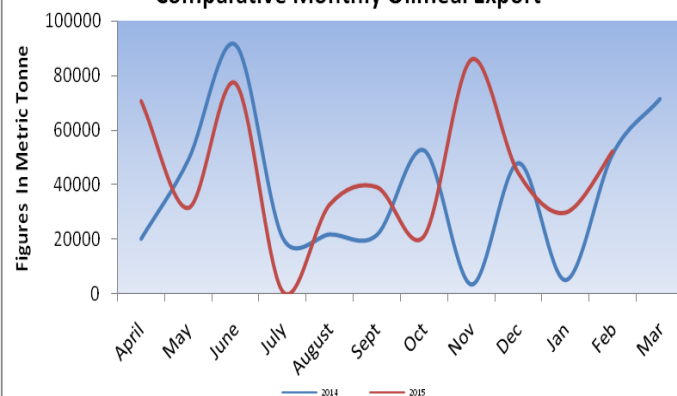
Data is awaited for March month. Castor meal export volume increased by 1.47 percent Till Feb third week in comparison to Feb-2015 and is likely to increase in the weeks ahead as seed arrivals have increased and decreased seed price.

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.

Castor Oil Monthly Export Trend & Seed Ave Price



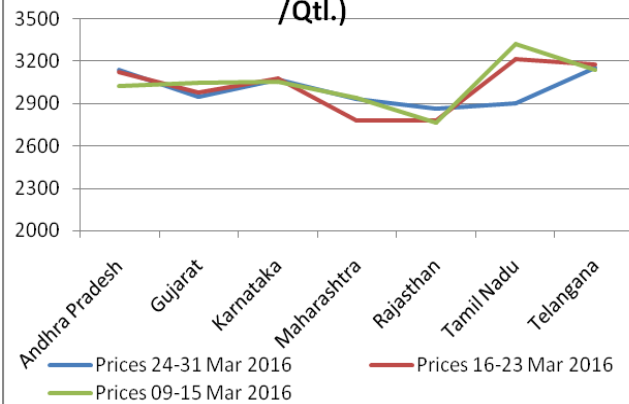
Comparative Monthly Oilmeal Export



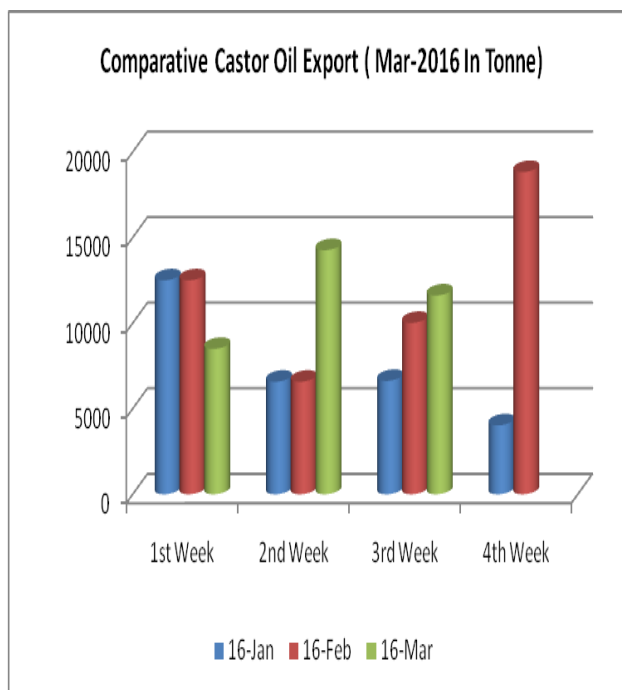
State Wise Weekly Price Trend

| State | Prices 24-31 Mar 2016 | Prices 16-23 Mar 2016 | Prices 09-15 Mar 2016 | Prices 24-31 Mar 2015 |
|----------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Andhra Pradesh | 3141.01 | 3118.58 | 3024.84 | 3479.24 |
| Gujarat | 2948.32 | 2973.48 | 3047.12 | 3501.06 |
| Karnataka | 3069.67 | 3077 | 3057.14 | 3454.25 |
| Maharashtra | 2928.57 | 2777.78 | 2937.5 | 3300 |
| Rajasthan | 2862.33 | 2781.19 | 2762.85 | 3269.57 |
| Tamil Nadu | 2902 | 3212 | 3319 | 3888.23 |
| Telangana | 3152.55 | 3176.98 | 3139.56 | 3519.88 |
| Average | 3000.64 | 3016.72 | 3041.14 | 3487.46 |

State Wise Weekly Price Movement (RS /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 | 11614.2 |
| 4th Week | 15265.94 | 4026.41 | 18827.53 | Awaited |
| 5th Week | | 10152.59 | | |

Cash Market Price Outlook For Deesa Spot

| Expected Range | Rs/Qtl.(Low) | Rs /Qtl.(High) |
|-----------------------|--------------|----------------|
| Short term (15 days) | 2850-2900 | 2900-2925 |
| Medium Term (30 days) | 2925-2950 | 2950-3000 |

| Comparative Prices Of Castor Products Including Seed | | | | | |
|--|------------|------------|--------------|-----------------|---------------|
| | 23 Mar '16 | 18 Mar '16 | 23rd Feb '16 | Average Mar '15 | Change % |
| Castorseed (Gujarat)((Rs./M.T) Ex-Mandi | NQ | 31000 | 32000 | 35765 | - |
| Castor Meal Export (FAS) (US\$ / MT),Ex Kandla | NQ | 73 | 74 | 115 | - |
| EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla | NQ | 4800 | 5050 | 6494 | - |
| Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne | 960 | 960 | 940 | 1203 | -20.20 |
| Local rates for oil in domestic market(Rs./M.T.) for comm. | 65000 | 65500 | 65500 | 74583 | -12.85 |

Source:SEA.

Technical Analysis:

Castor – Technical Outlook
Technical Commentary:

Futures Contracts Were suspended
on 27th January-2016



Strategy: Sell On Rise

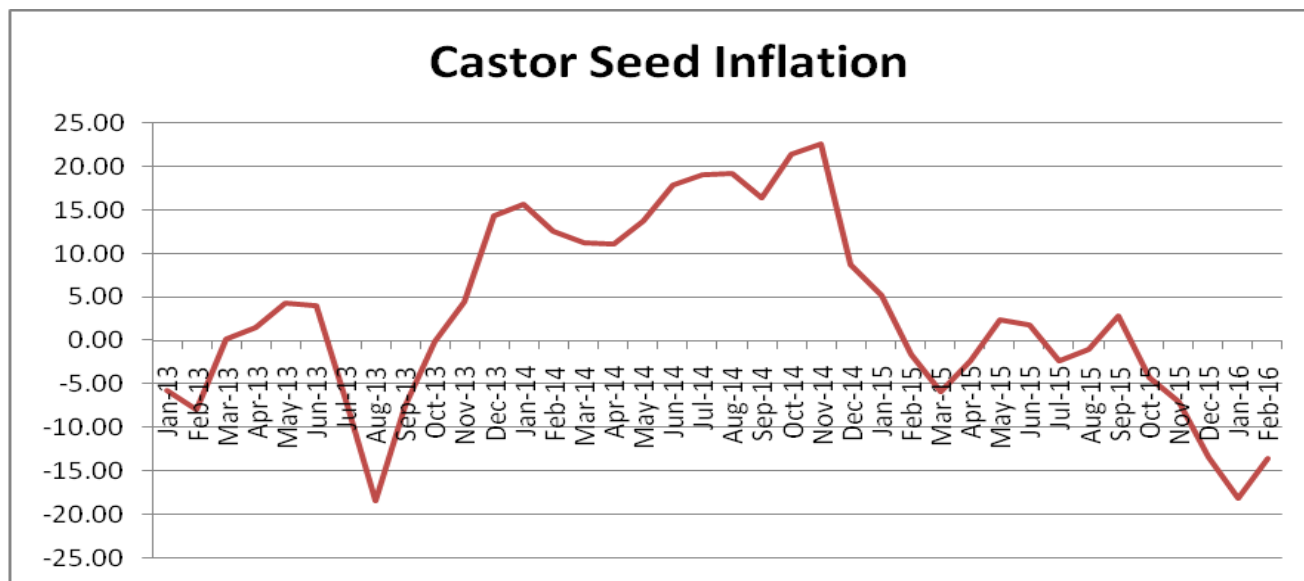
| Intraday Supports & Resistances | | | S2 | S1 | PCP | R1 | R2 |
|---------------------------------|-------|-----|------|-------|-----|----|----|
| Castor | NCDEX | Feb | | | | | |
| Pre Weekly Trade Call | | | Call | Entry | T1 | T2 | SL |
| Castor | NCDEX | Feb | | | | | |

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 inflation decrease pace slowed down from -18.02 in Jan2016 to – 13.44 percent in February-2016. Decrease would be slower in the month of March as price may stabilize at current level. Weight is 0.04425 and base year is : 2014-05=100

Castor Seed Weekly Prices at Key Spot Markets:

| Commodity | Market | Price (Rs/ Quintal) | | Change |
|-----------|--------------------|---------------------|---------------------|--------|
| Center | | 24th to 31th Mar.16 | 18th to 23th Mar.16 | |
| Gujarat | Patan | Closed | 3032 | - |
| | Harij | Closed | 3031 | - |
| | Rajkot | Closed | 2983 | - |
| | Gondal | Closed | 3070 | - |
| | Deesa | Closed | 3036 | - |
| | Bhabar | Closed | 3025 | - |
| | Mehsana | Closed | 3028 | - |
| | Kadi | Closed | 3020 | - |
| | Sabarkatha | Closed | 3050 | - |
| | Gandhi Nagar | 3075 | 3070 | 5 |
| | Ahmedabad (Sanand) | Closed | 2928 | - |
| | Halvad | 3050 | 3020 | 30 |
| | Junagadh | Closed | 3068 | - |
| | Dhrol | Closed | 2853 | - |

| | | | | |
|------------------|----------|------|------|-----------|
| Rajasthan | Jodhpur | 2900 | 2850 | 50 |
| | Sumerpur | 3050 | 2970 | 80 |

Week on Week Price: Scenario of Castor Seed :

| Commodity | Market | Today | Week ago | Month ago | Year ago |
|------------------|--------------------|-----------|-----------|-----------|-----------|
| Center | | 31-Mar-16 | 25-Mar-16 | 29-Feb-16 | 31-Mar-15 |
| Gujarat | Patan | Closed | Closed | 3025 | 3525 |
| | Harij | Closed | Closed | 2990 | 3550 |
| | Rajkot | Closed | Closed | 2965 | 3450 |
| | Gondal | Closed | Closed | 3080 | 3555 |
| | Deesa | Closed | Closed | 3000 | Closed |
| | Bhabar | Closed | Closed | 2950 | Closed |
| | Mehsana | Closed | Closed | 2990 | 3460 |
| | Kadi | Closed | Closed | 2980 | 3525 |
| | Sabarkatha | Closed | Closed | 3000 | Closed |
| | Gandhi Nagar | Closed | Closed | 3050 | Closed |
| | Ahmedabad (Sanand) | Closed | Closed | 2915 | 3350 |
| | Halvad | Closed | Closed | 3000 | Closed |
| | Junagadh | Closed | Closed | 2975 | Closed |
| | Dhrol | Closed | Closed | 2740 | Closed |
| Rajasthan | Jodhpur | Closed | Closed | 3150 | 3400 |
| | Sumerpur | Closed | Closed | 2950 | 3365 |

Castor Seed Cumulative Arrivals in Key Centers:

| Center | Market | Weekly Sum Arrivals (Quintal) | | Change |
|----------------|--------------------|-------------------------------|---------------------|--------------|
| | | 24th to 31th Mar.16 | 18th to 23th Mar.16 | |
| Gujarat | Patan | Closed | 23405 | - |
| | Harij | Closed | 5100 | - |
| | Rajkot | Closed | 1041 | - |
| | Gondal | Closed | 2419 | - |
| | Deesa | Closed | 3195 | - |
| | Bhabar | Closed | 5325 | - |
| | Mehsana | Closed | 1440 | - |
| | Kadi | Closed | 7680 | - |
| | Sabarkatha | Closed | 2025 | - |
| | Gandhi Nagar | 600 | 2850 | -2250 |
| | Ahmedabad (Sanand) | Closed | 121 | - |
| | Halvad | 375 | 4350 | -3975 |
| | Junagadh | Closed | 160 | - |
| | Dhrol | Closed | 115 | - |

| | | | | |
|------------------------------|----------|------|-------|--------|
| Rajasthan | Jodhpur | 150 | 212 | -62 |
| | Sumerpur | 720 | 2560 | -1840 |
| Total Arrivals/Above Markets | | 1845 | 61997 | -60152 |

Outlook & Recommendation:

Castor seed market is expected to trade steady to slightly weak due to poor buying interest from plants and stockiest. Traders remained engaged in March closing. Importers too have restricted oil buying as they expect market to decrease from current level. Stockiest should buy seed around 2800 to 2900 per qtl. in mid April.

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