

Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

All India average prices of Castor seed decreased by 2.87 % to Rs 3087.15 per qtl week on week basis. It was being traded at Rs 3000.96 per qtl. during the week ended 31st March-2016. Lower arrival, fresh demand from stockiests and improved import demand have lent support to cash market fundamentals. Market is expected to move up at from 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 4.83 % from the first week of April-2015.

India exported 7781.66 T castor oil during week ended 3rd April-2016 at an average price of \$1139.23 per tonne. It is lower by 9.78% from previous week. However, price realization has increased by 3.55 % from last week. The maximum and minimum prices were registered at \$2172.36 and 898.15 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 8.49 percent from 373871 to 436647 tonne during April-15 to Feb-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. India exported 29097.57 T meal at an ave FoB of \$108.81 per tonne during week ended 3rd April-2016.

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 willing to buy new crop at current level as prices start firming up due to restricted release from farmers. Plants are active at current price and they are buying to fulfill their immediate demand for oil.. Fresh buying for crushing and stock purpose would continue now. Buying interest may be seen at Rs 3000/3100 in Mid-April this year. Other factors that may push prices up are farmers' intention for retention and strong demand for oil.

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 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 third week of April due to improved demand.

Call:

Futures contracts have been suspended on 27th Jan-2016

Stake holders in cash market should buy seed around Rs 3000 to Rs3050 for stock purpose.

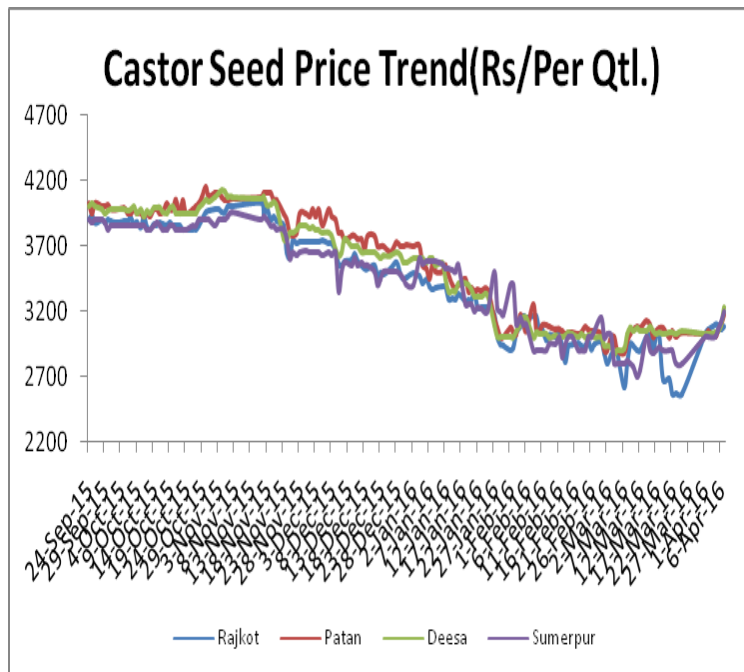
Castor Seed Price Chart:

Price Trend:

Market has increased last week due to strong demand and restricted release from farmers. However, one way firmness at this point of time is unlikely. Overall view is firm. Agriwatch expects market to stay steady to slightly firm in April..

Seed market is expected to hover in range of Rs 3000 to Rs 3050 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 near 3250.



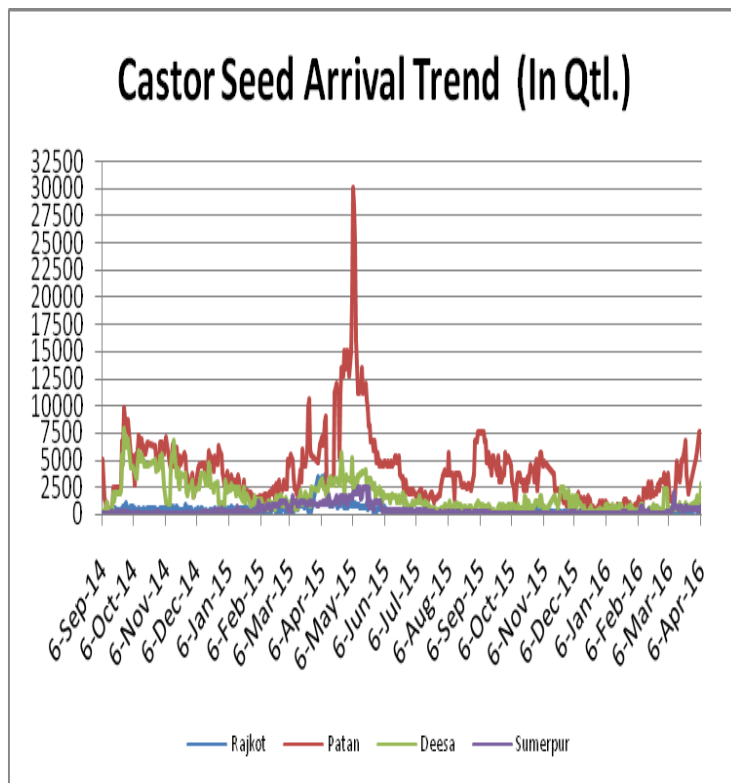
Castor Seed Arrival Chart:

Arrivals of seed have started increasing in all major markets despite lower price. However, it is lower by 20 % from previous year in April. Fresh buying spree may push seed price up and it may encourage farmers to release stock.

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 12.81 % 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 March-2016 due to closure of markets for a week. Total export in Mar-16 was registered over 43000 tonne. In March-15 India had exported around 59294 tonne.

India exported 7781.66 tonne castor oil during the week ended 3rd, April - 2016. Average price realized at the rate of \$1139.23 per tonne, lower by 9.78 % from previous week.

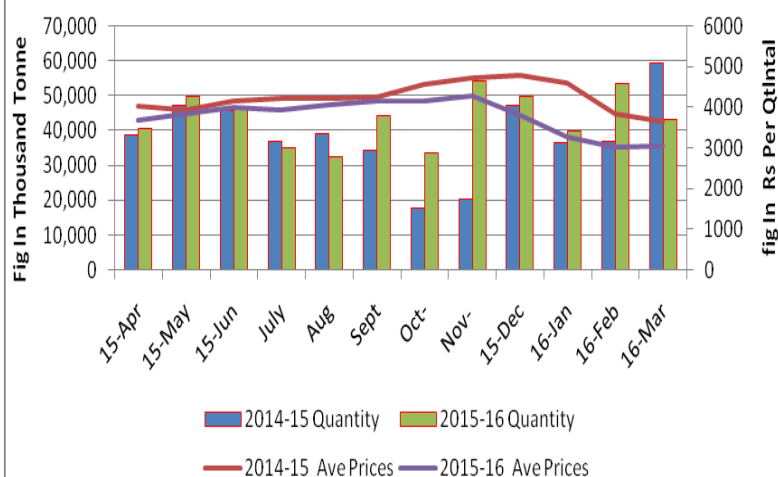
As prices of seed are expected to stay steady to firm, FoB quotes too may move up in the weeks ahead.

Source: IBIS/Agriwatch **Castor Meal Export**

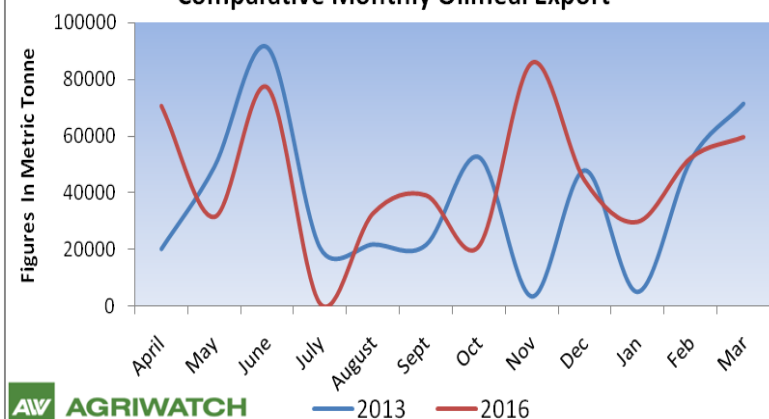
Castor meal export volume increased by 1.47 percent Till March third week in comparison to Feb-2015 and is likely to increase in the weeks ahead as seed arrivals have increased and decreased seed price.

FOB quotes for meal too has decreased slightly this week from \$97 to \$91 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



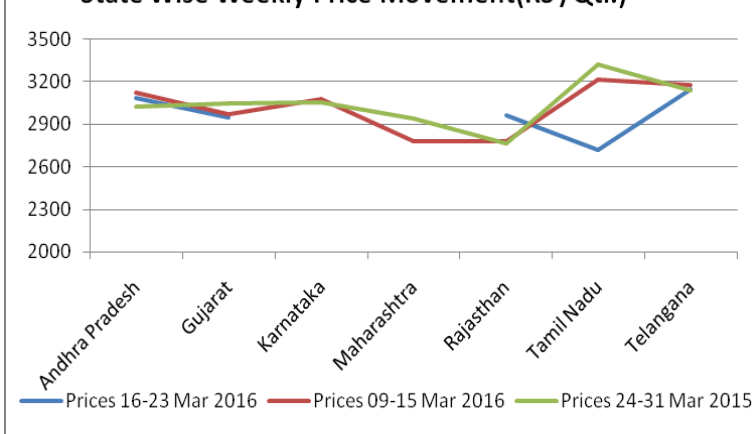
Comparative Monthly Oilmeal Export



State Wise Weekly Price Trend :

Prices 24-31 Mar 2016	Prices 16-23 Mar 2016	Prices 09-15 Mar 2016	Prices 24-31 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

State Wise Weekly Price Movement(RS /Qtl.)



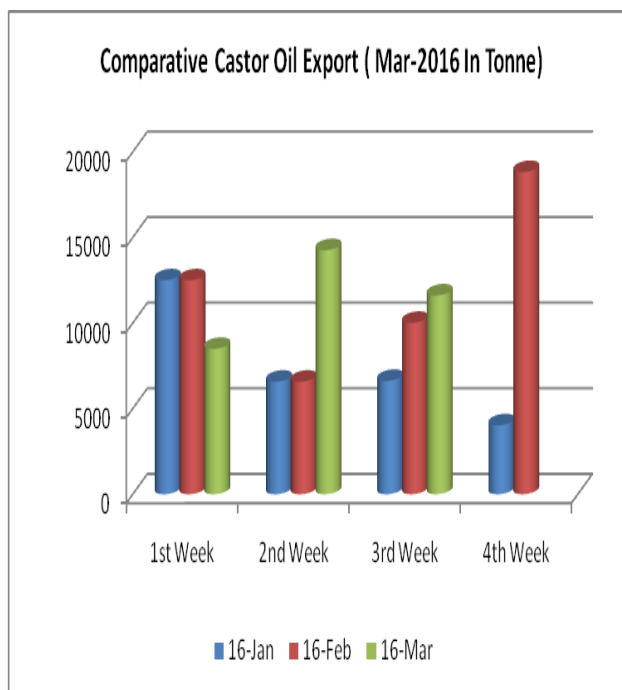
Castor Oil Weekly Export Volume:


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	
5th Week		10152.59		

Cash Market Price Outlook For Deesa Spot

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	2950-3000	3000-3050
Medium Term (30 days)	3050-3100	3150-3200

Comparative Prices Of Castor Products Including Seed					
	07th Apr '16	01st Apr '16	7th Mar '16	7th Mar '15	Change %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	32250	31150	NQ	35469	-9.98
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	73	73	NQ	106	-45.21
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	4800	4800	NQ	6415	-33.65
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	995	960	NQ	1197	-20.30
Local rates for oil in domestic market(Rs./M.T.) for comm.	66000	65200	62500	75896	-14.99

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		01st to 07th April.16	24th to 31st Mar.16	
Gujarat	Patan	3067	Closed	-
	Harij	3073	Closed	-
	Rajkot	3070	Closed	-
	Gondal	3088	Closed	-
	Deesa	3076	Closed	-
	Bhabar	3062	Closed	-
	Mehsana	3048	Closed	-
	Kadi	3235	Closed	-
	Sabarkatha	3037	Closed	-
	Gandhi Nagar	3083	3075	8
	Ahmedabad (Sanand)	2931	Closed	-
	Halvad	2918	3050	-132
	Junagadh	3113	Closed	-
	Dhrol	2953	Closed	-
Rajasthan	Jodhpur	3017	2900	117
	Sumerpur	3063	3050	13

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	Weekly Sum Arrivals (Quintal)		Change
		01st to 07th April.16	24th to 31st Mar.16	
Gujarat	Patan	38250	Closed	-
	Harij	12150	Closed	-
	Rajkot	3395	Closed	-
	Gondal	6274	Closed	-
	Deesa	10664	Closed	-
	Bhabar	11250	Closed	-
	Mehsana	3525	Closed	-
	Kadi	20544	Closed	-

	Sabarkatha	2925	Closed	-
	Gandhi Nagar	4875	600	4275
	Ahmedabad (Sanand)	144	Closed	-
	Halvad	7875	375	7500
	Junagadh	920	Closed	-
	Dhrol	132	Closed	-
Rajasthan	Jodhpur	124	150	-26
	Sumerpur	2880	720	2160
Total Arrivals/Above Markets		125927	1845	124082

Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		7-Apr-16	1-Apr-16	7-Mar-16	7-Apr-15
Gujarat	Patan	3175	3025	2900	3450
	Harij	3200	3000	2875	3450
	Rajkot	3080	3025	2875	3360
	Gondal	3105	3055	3030	3555
	Deesa	3225	3025	2900	3475
	Bhabar	3170	3000	2885	3460
	Mehsana	3100	Closed	2850	3450
	Kadi	3115	3500	2915	3550
	Sabarkatha	3100	3000	2900	3500
	Gandhi Nagar	3200	3000	2925	3525
	Ahmedabad (Sanand)	NR	Closed	2805	3400
	Halvad	3000	2805	2875	3475
	Junagadh	3145	3100	3005	3460
	Dhrol	3120	NR	2770	3340
Rajasthan	Jodhpur	3000	3000	2800	3400
	Sumerpur	3200	3000	2800	3350

Outlook & Recommendation:

Castor seed market is expected to trade steady to slightly firm due to renewed buying interest from plants and stockiest. Importers too have started oil buying as they expect market to firm up from current level. Stockiest should buy seed around 2950 to 3050 per qtl.

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