

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 increased by 2.22 % to Rs 3016.01 per qtl week on week basis. It was being traded at Rs 2950.54 per qtl. during the week ended 8th April-2016. Lower arrival, fresh demand from stockiests and improved import demand have lent support to cash market fundamentals. Current average price of seed is ruling higher by 5.86 % from the third week of March-2015.

India exported 8909 MT castor oil during week ended 10th April-2016 at an average price of \$1051.86 per MT. It is higher by 14.5% from previous week. However, price realization has decreased by 7.67 % from last week. The maximum and minimum prices were registered at \$1548.94 and 954.6 per MT. Castor oil export would continue to stay steady as prices are lower than normal expectation and availability is higher. Major importers like USA and China are stocking oil taking advantage of lower price.

In Patan market, castor seed prices are likely to trade down in near term. Stock of castor seed is likely to increase by 20,000 bags compared to corresponding period of last year. Last year castor seed stock was around 4 lakh bags.

In Deesa market, prices are likely to trade slightly down in near term. Stock of castor seed could be around 2-3 lakh bags, same compared to corresponding period of last year.

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.

.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 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.

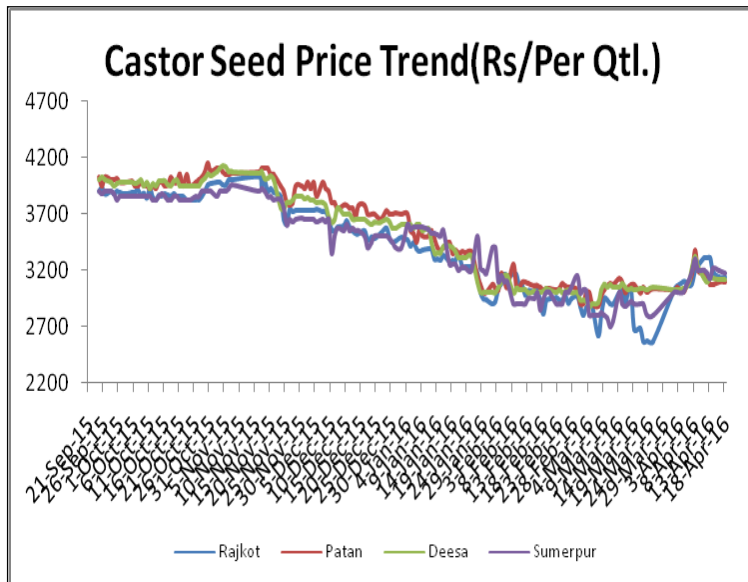
Castor Seed Price Chart:

Price Trend:

Market has decreased last week due to weak demand. 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.

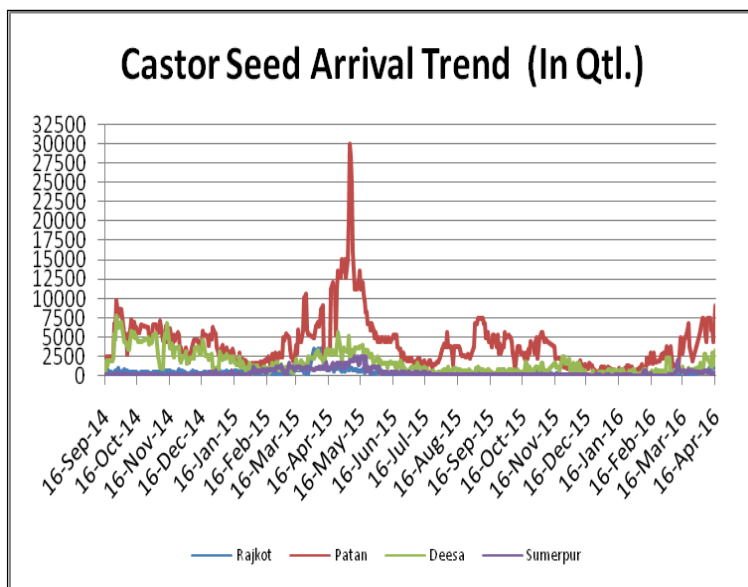
Higher area coverage and normal demand for oil from overseas market may continue to restrict one way uptrend. Market should stabilize near 3250.



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.



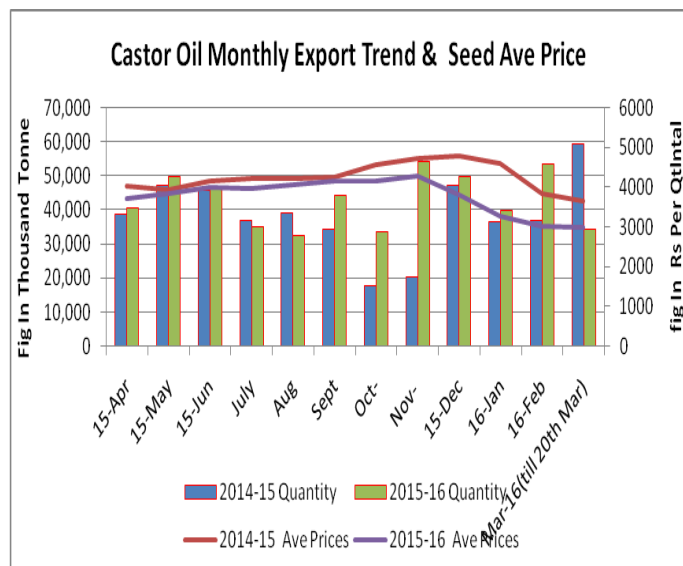
Arrivals have increased in Patan, Deesa and Sumerpur. It is expected to touch its peak around mid April.

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 8909 MT castor oil during week ended 10th April-2016 at an average price of \$1051.86 per MT. It is higher by 14.5% from previous week. However, price realization has decreased by 7.67 % from last week. The maximum and minimum prices were registered at \$1548.94 and 954.6 per MT. Castor oil export would continue to stay steady as prices are lower than normal expectation and availability is higher. Major importers like USA and China are stocking oil taking advantage of lower price.

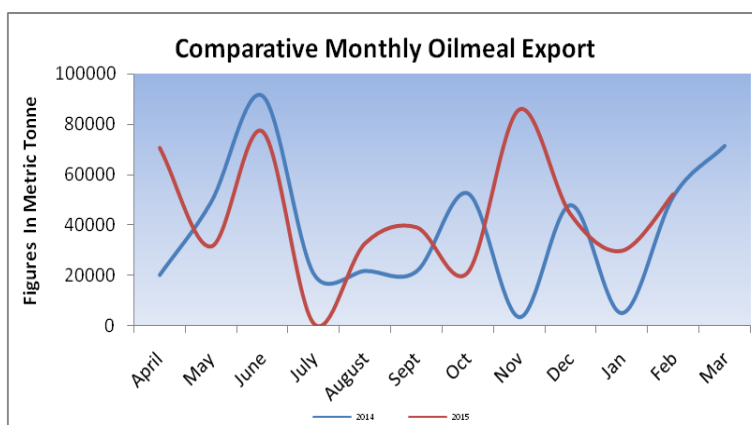


As prices of seed are expected to stay steady to firm, FoB quotes too may move up in the weeks ahead.

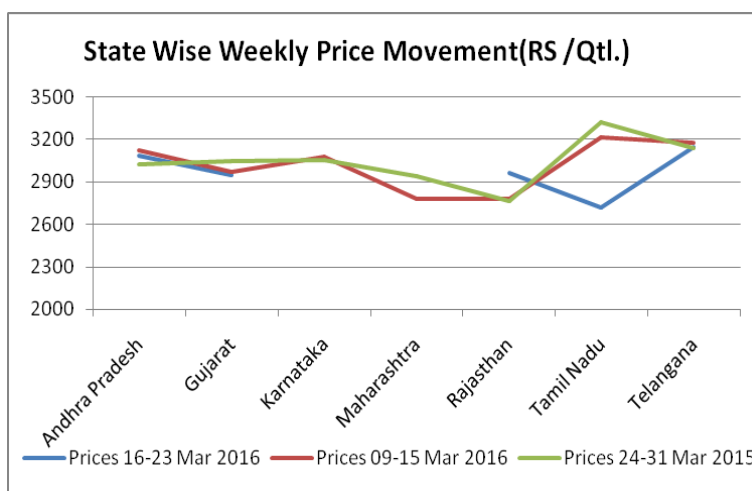
Source: IBIS/Agriwatch **Castor Meal Export**

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.

**State Wise Weekly Price Trend :**

States	Prices 9-15 Apr 2016	Prices 1-8 Apr 2016	Prices 16-23 Apr 2015
Andhra Pradesh	3157.28	3090.47	3342.49
Gujarat	3082.38	3018.09	3438.6
Karnataka	2463.5	1887.5	1876.19
Maharashtra	2583.33	2907.14	3075
Rajasthan	2975.41	3151.14	3244.14
Tamil Nadu	3656.55	3431.69	3641.19
Telangana	3185.4	3167.75	3418.36
Average	3014.84	2950.54	3148



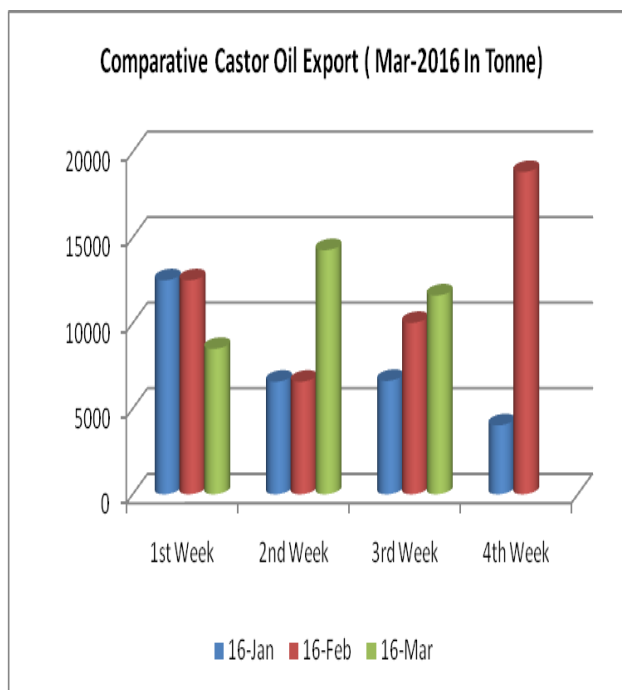
Castor Oil Weekly Export Volume:


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					
	15th Apr '16	07th Apr '16	15th Mar '16	15th Mar '15	Change %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	NQ	32250	31250	35469	-
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	NQ	73	75	106	-
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	NQ	4800	4850	6415	-
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	NQ	995	945	1197	-
Local rates for oil in domestic market(Rs./M.T.) for comm.	67500	66000	65000	75896	-12.44

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
		08th to 14th April.16	01st to 07th April.16	
Gujarat	Patan	3171	3067	104
	Harij	3184	3073	111
	Rajkot	3235	3070	165
	Gondal	3255	3088	167
	Deesa	3173	3076	97
	Bhabar	3148	3062	86
	Mehsana	3130	3048	82
	Kadi	3165	3235	-70
	Sabarkatha	3162	3037	125
	Gandhi Nagar	3268	3083	185
	Ahmedabad (Sanand)	3055	2931	124
	Halvad	3109	2918	191
	Junagadh	3185	3113	72
	Dhrol	3345	2953	392
Rajasthan	Jodhpur	3262	3017	245
	Sumerpur	3203	3063	140

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	Weekly Sum Arrivals (Quintal)		Change
		08th to 14th April.16	01st to 07th April.16	
Gujarat	Patan	36000	38250	-2250
	Harij	11475	12150	-675
	Rajkot	3595	3395	200
	Gondal	4498	6274	-1776
	Deesa	11756	10664	1092
	Bhabar	23428	11250	12178
	Mehsana	5625	3525	2100
	Kadi	28000	20544	7456

	Sabarkatha	2775	2925	-150
	Gandhi Nagar	4650	4875	-225
	Ahmedabad (Sanand)	40	144	-104
	Halvad	11475	7875	3600
	Junagadh	625	920	-295
	Dhrol	135	132	3
Rajasthan	Jodhpur	204	124	80
	Sumerpur	2640	2880	-240
Total Arrivals/Above Markets		401748	125927	124082

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		14-Apr-16	7-Apr-16	14-Mar-16	14-Apr-15
Gujarat	Patan	3075	3175	3125	3535
	Harij	Closed	3200	3110	3540
	Rajkot	3190	3080	3000	3575
	Gondal	Closed	3105	3155	3605
	Deesa	3130	3225	3050	3525
	Bhabar	3080	3170	3100	3515
	Mehsana	Closed	3100	3075	3550
	Kadi	Closed	3115	3075	3575
	Sabarkatha	Closed	3100	3100	3550
	Gandhi Nagar	Closed	3200	3125	Closed
	Ahmedabad (Sanand)	Closed	NR	3000	3525
	Halvad	3050	3000	3000	3500
	Junagadh	NR	3145	3110	Closed
	Dhrol	NA	3120	2750	Closed
Rajasthan	Jodhpur	3320	3000	2800	3400
	Sumerpur	3215	3200	3000	3450

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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