

Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

All India average prices of Castor seed increased by 17.94 % to Rs 3558.06 per qtl week on week basis. It was being traded at Rs 3016.83 per qtl. during the week ended 15th April-2016. Lower arrival, fresh demand from stockiests and improved import demand have lent support to cash market fundamentals.

India exported 5074 MT castor oil during week ended 17th April-2016 at an average price of \$1079.12 per MT. It is lower by 43.05% from previous week. However, price realization has increased by 2.59% from last week. The maximum and minimum prices were registered at \$1746.66 and 908.36 per MT. Castor oil export would continue to stay steady as prices are lower than normal expectation and availability is higher. Major importers like China followed by USA and Netherlands 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.

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.

Total area under Castor crop in India for the year 2015-16 is 1,136,300 hectares. Estimated total production of Castor Seeds in India for the year 2015-16 would be 13,97,000 tonnes (Area as per Government Area Estimates) Average yield for the year 2015-16 is 1229 kg/hectare.

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.

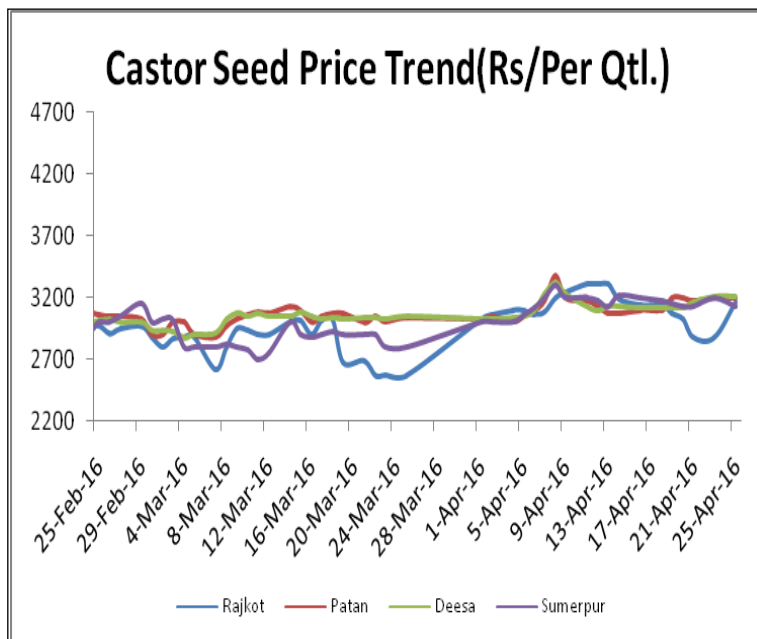
Castor Seed Price Chart:

Price Trend:

Market traded mixed last week. 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.

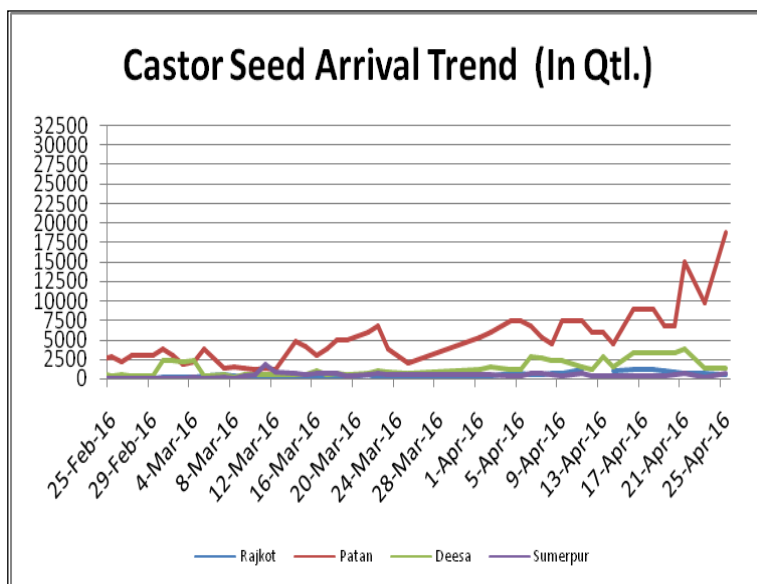
Higher area coverage and normal demand for oil from overseas market may continue to restrict one way uptrend. Market should stabilize near 3250.



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.

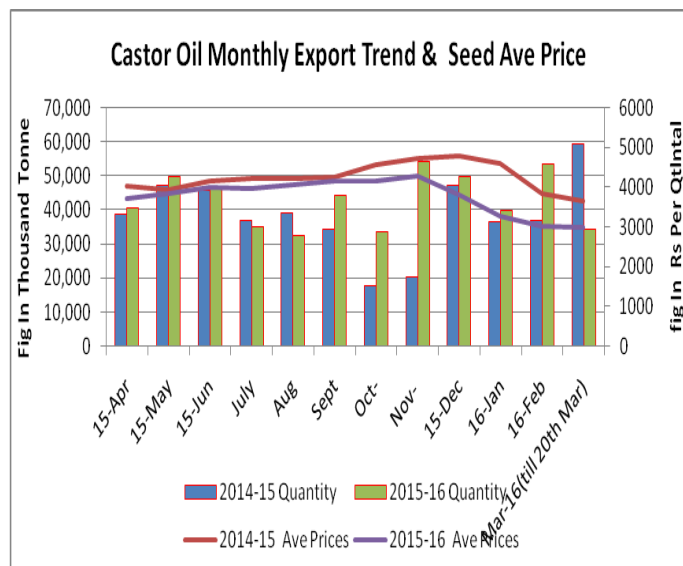
However, overall arrival pace is lower than last year as prices of seed is ruling lower by 12.81 % from last year at this point of time .

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.

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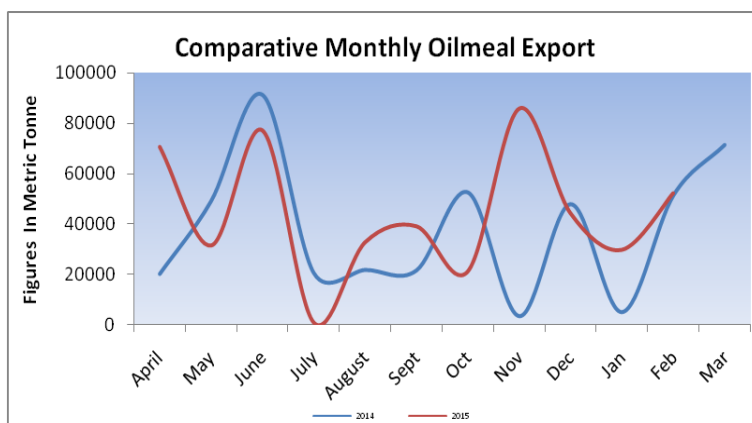
As prices of seed are expected to stay steady to firm, FoB quotes too may move up in the weeks ahead.



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

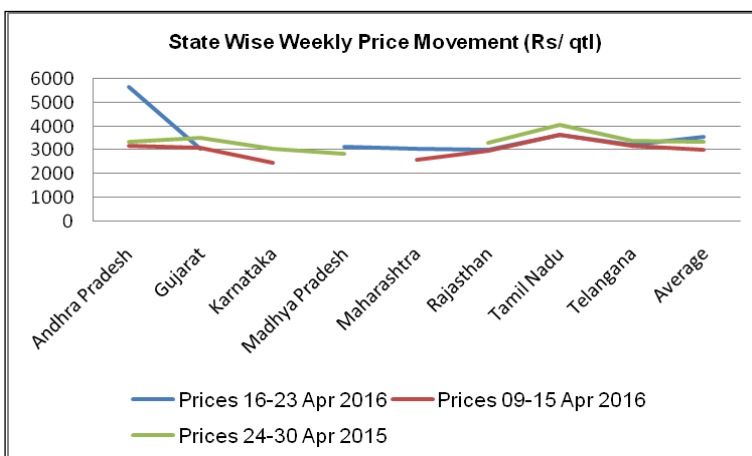
Castor meal export volume increased by 1.47 percent Till March third week in comparison to Feb-2015 and is likely to increase in the weeks ahead as seed arrivals have increased and decreased seed price.

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 16-23 Apr 2016	Prices 09-15 Apr 2016	Prices 24-30 Apr 2015
Andhra Pradesh	5673.33	3171.32	3346.48
Gujarat	3070.36	3082.2	3538.75
Karnataka		2463.5	3071.43
Madhya Pradesh	3150		2850
Maharashtra	3087.5	2583.33	
Rajasthan	3028.92	2975.5	3294.94
Tamil Nadu	3659.63	3656.55	4077.42
Telangana	3238.05	3185.4	3396.25
Average	3558.26	3016.83	3367.9



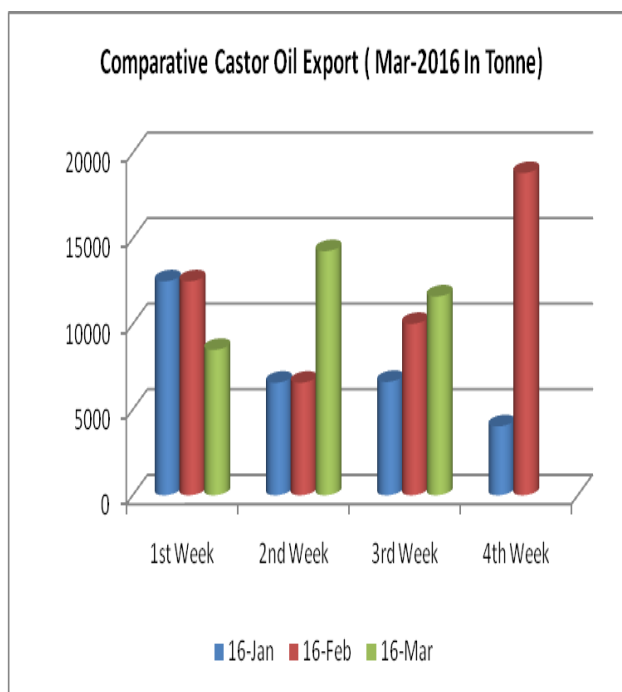
Castor Oil Weekly Export Volume:


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)	3050-3150	3150-3250
Medium Term (30 days)	3100-3200	3200-3300

Comparative Prices Of Castor Products Including Seed					
	22nd Apr '16	15th Apr '16	22nd Mar '16	22nd Apr '15	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	32300	NQ	31250	35469	-9.81
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	73	NQ	75	106	-45.21
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	4800	NQ	4800	6415	-33.65
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1010	NQ	960	1197	-18.51
Local rates for oil in domestic market(Rs./M.T.) for comm.	68000	67500	65500	75896	-11.61

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		15th to 21th April.16	08th to 14th April.16	
Gujarat	Patan	3158	3171	-13
	Harij	3104	3184	-80
	Rajkot	3029	3235	-206
	Gondal	3127	3255	-128
	Deesa	3120	3173	-53
	Bhabar	3090	3148	-58
	Mehsana	3105	3130	-25
	Kadi	3101	3165	-64
	Sabarkatha	3102	3162	-60
	Gandhi Nagar	3154	3268	-114
	Ahmedabad (Sanand)	3051	3055	-4
	Halvad	3073	3109	-36
	Junagadh	3154	3185	-31
	Dhrol	NR	3345	-
Rajasthan	Jodhpur	3220	3262	-42
	Sumerpur	3155	3203	-48

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		21-Apr-16	14-Apr-16	21-Mar-16	21-Apr-15
Gujarat	Patan	3175	3075	3050	3425
	Harij	3110	Closed	3015	3450
	Rajkot	2875	3190	2995	3490
	Gondal	3120	Closed	3080	3555
	Deesa	NR	3130	3025	NR
	Bhabar	NR	3080	3010	NR
	Mehsana	3125	Closed	3030	NR
	Kadi	3150	Closed	3035	3490

	Sabarkatha	3100	Closed	3050	NR
	Gandhi Nagar	3150	Closed	3065	NR
	Ahmedabad (Sanand)	3040	Closed	2950	3550
	Halvad	3095	3050	3000	NR
	Junagadh	3150	NR	3075	NR
	Dhrol	NR	NA	2910	NR
Rajasthan	Jodhpur	3100	3320	2800	3400
	Sumerpur	3125	3215	2950	3350

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	Weekly Sum Arrivals (Quintal)		Change
		15th to 21th April.16	08th to 14th April.16	
Gujarat	Patan	30750	36000	-5250
	Harij	12975	11475	1500
	Rajkot	3830	3595	235
	Gondal	2930	4498	-1568
	Deesa	3353	11756	-8403
	Bhabar	3750	23428	-19678
	Mehsana	4500	5625	-1125
	Kadi	20988	28000	-7012
	Sabarkatha	3600	2775	825
	Gandhi Nagar	4575	4650	-75
	Ahmedabad (Sanand)	254	40	214
	Halvad	15750	11475	4275
	Junagadh	695	625	70
	Dhrol	NR	135	-
Rajasthan	Jodhpur	188	204	-17
	Sumerpur	2320	2640	-320
Total Arrivals/Above Markets		110458	146921	-36463

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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