

Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

All India average price for castor seed decreased by 7.20 % from Rs 3558.35 to Rs 3301.88 per qtl during the week ended 30th April-2016. However, it is higher by 9.44% from the price registered during the second week of April. When we compare average price of seed from April-2015, it is lower by 5.35 % from current average price (Rs3301.88 per qtl.). Decrease in demand for seed at higher level restricted firm tone during the week under review. However, more dip is unlikely as pace for seed arrivals in markets has declined.

India exported 16542.23 MT castor oil during week ended 24th April-2016 at an average price of \$1095.69 per MT. It is higher by 187% from previous week. However, price realization has decreased by 8.67% from last week. The maximum and minimum prices were registered at \$1978.57 and \$495.14 per MT. Castor oil export would continue to stay steady as prices are ruling 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. Even non regular buyer/consumer like Malaysia is making inventory taking advantage of lower price.

In Tamil Nadu, castor seed prices are likely to trade steady as local demand for seed is higher and prices would continue to rule higher as local seed stock is diminishing fast. Supply from other States makes seed more costly. In Patan 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. This year retention of seed is higher at farmers end due to lower price.

.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 May when prices are expected to stabilize. Buying interest may be seen at Rs 3200/3300 in May this year. Other factors that may stabilize prices are farmers' intention for retention and slower pace of arrivals in mandis in comparison to last year..

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 as per private estimate. Agriwatch considers over 15.5 lakh tonne production in 2015-16.

Outlook & Recommendation: -

Overall market sentiment remains steady to slightly weak in the short 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 650 per 20 kg. Agriwatch expects market to stay steady to weak in first week of May due to weak demand.

Call:

Futures contracts have been suspended on 27th Jan-2016

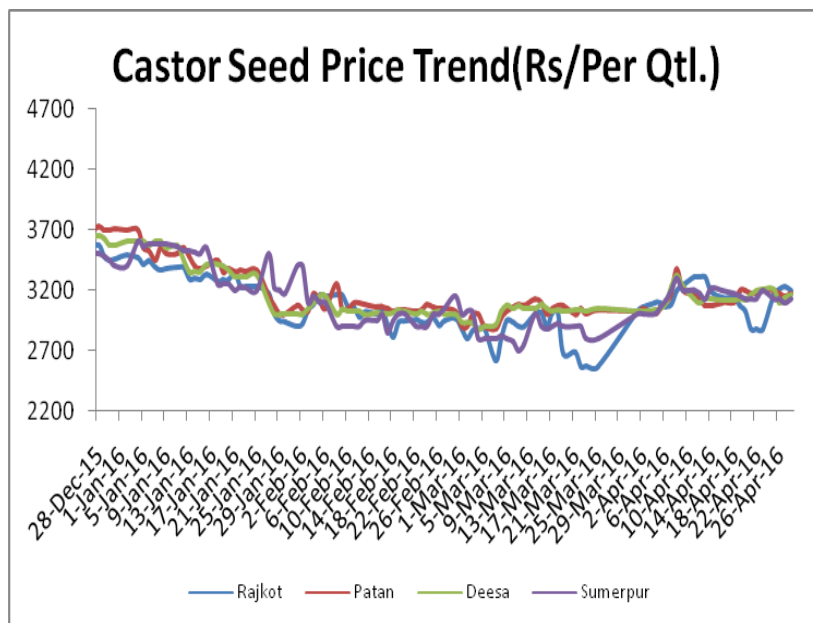
Stake holders in cash market should buy seed around Rs 3200 to Rs3300 for stock purpose.

Castor Seed Price Chart:**Price Trend:**

Cash markets traded slightly down last week due to poor demand for seed as plants have restricted buying at higher level. Market may trade steady to slightly weak during the week under review. Agriwatch expects market to stay steady to slightly weak in the first week of May.

Seed market is expected to hover in range of Rs 3100 to Rs 3250 per qtl. Higher decrease was seen in Rajkot. Other markets traded almost stable.

Seed market is expected to trade in the range of Rs 3200 to Rs 3250 per qtl. As arrival is weak any major dip from current level is unlikely.

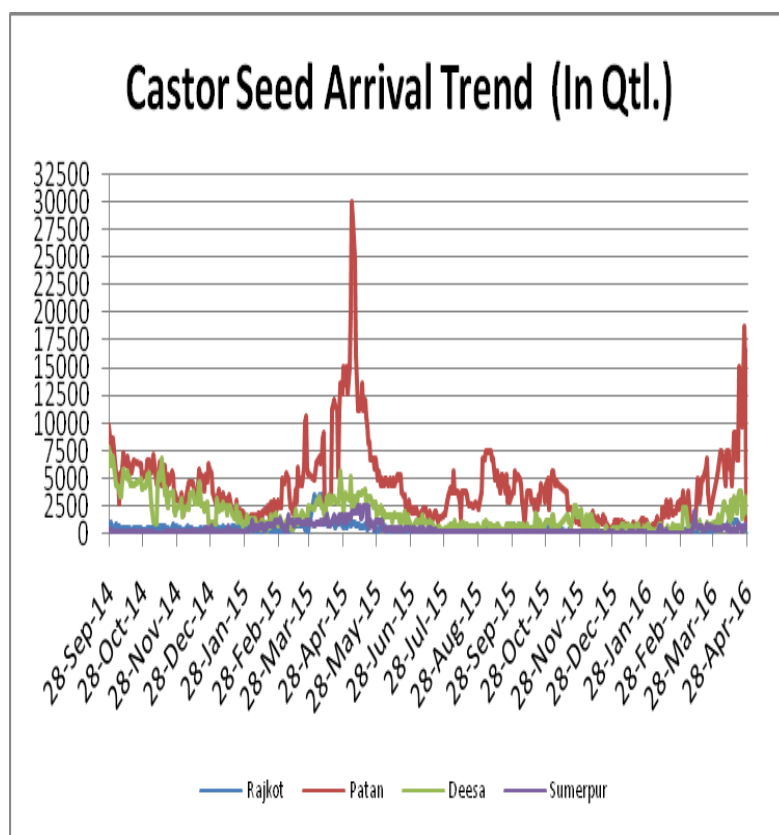
**Castor Seed Arrival Chart:**

Arrivals of seed have started increasing in all major markets despite lower price. However, it is lower by 35 % from arrivals in April last year. Fresh buying spree may push seed price from mid May and it may encourage farmers to release stock to help manage their money for their various activities including kharif field preparation.

Stake holders would prefer to wait for stabilization in the cash market. Market participants say that arrival pace would not increase much as small farmers may prefer to retain half of their stock due to lower price.

Arrivals have increased in Patan, Deesa while it decreased in Sumerpur. It is expected to touch its peak around mid May.

However, overall arrival pace is lower than last year as prices of seed is ruling lower by 5.35 % from last year at this point of time.



Castor Oil Export Trend:-

Castor oil export improved to 16542.23 tonne from 5756.88 tonne during the week ended 24th, April-2016. Agriwatch expects stable export demand in the first week of May.

Average export price was registered at \$1095.69 per tonne. The maximum and minimum prices were registered at \$2500 and 868.26 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.

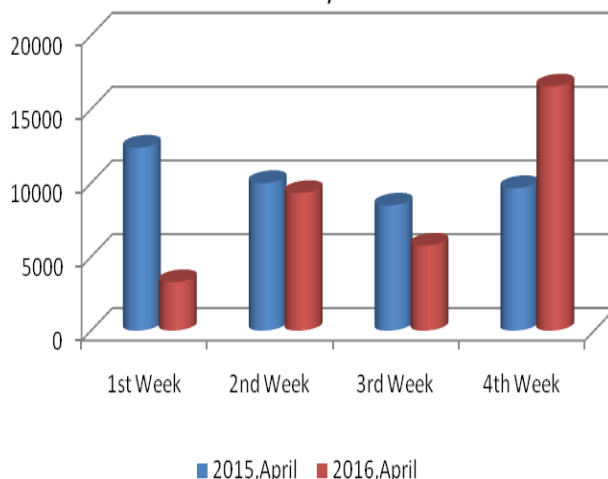
As prices of seed are expected to stay steady to firm in the medium term, FoB quotes too may move up in the weeks ahead.

Castor Meal Export

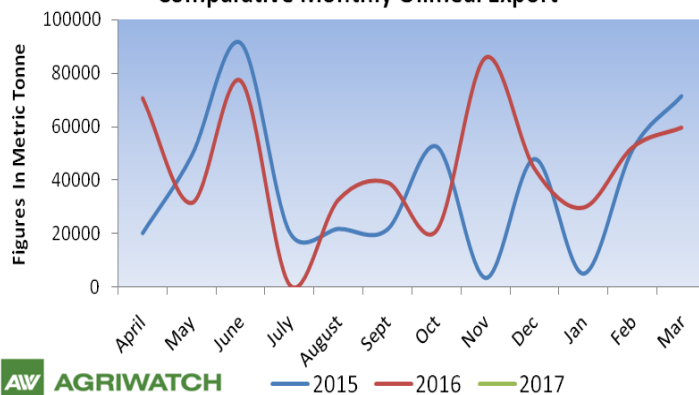
Castor meal export volume decreased by 9.98 percent in April-2016 in comparison to March-2016. It is likely to increase in the weeks ahead as seed arrivals have increased and prices are hovering at affordable level.

FOB quotes for meal too has decreased slightly this week from \$91 to \$88 per tonne. France bought 2808.9 tonne meal last week at an ave price of \$101.65 per tonne.

Comparative Castor Oil Export Till 24th April-2016 (In Tonne)

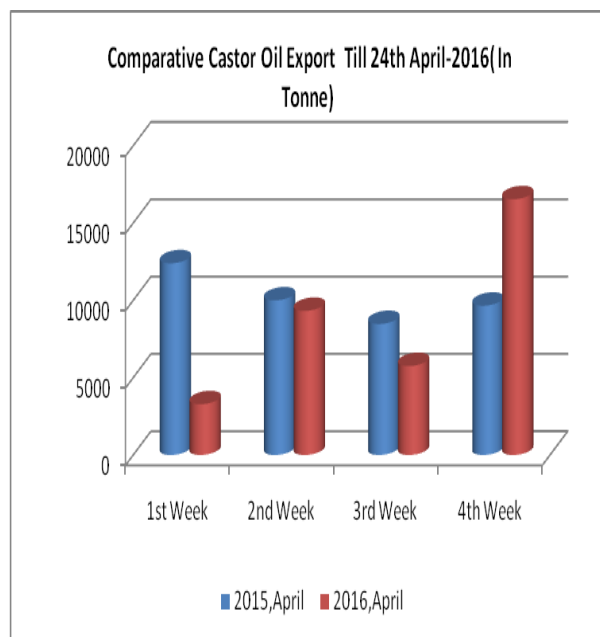


Comparative Monthly Oilmeal Export



State Wise Weekly Price Trend:

Castor Seed Average Comparative Price -April-2016 (Rs/Qtl.)			
State	Prices 24-30 Apr 2016	Prices 16-23 Apr 2016	Prices 09-15 Apr 2016
Andhra Pradesh	3257.96	5673.33	3171.32
Gujarat	3105.75	3070.81	3082.2
Karnataka	3000		2463.5
M P		3150	
Maharashtra		3087.5	2583.33
Rajasthan	3089.97	3029.16	2975.5
Tamil Nadu	4143.03	3659.63	3656.55
Telangana	3214.55	3238.05	3185.4
Average	3301.88	3558.35	3016.83

Castor Oil Weekly Export Volume:


Castor Oil Export Fig. in Tonne		
	2015, April	2016, April
1st Week	12400	3285.30
2nd Week	10,000	9323.64
3rd Week	8476	5756.88
4th Week	9657	16542.23
Total	40533	34908.05

Cash Market Price Outlook For Deesa Spot

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	3150-3250	3225-3250
Medium Term (30 days)	3250-3300	3300-3350

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		22nd to 28th April.16	15th to 21st April.16	
Gujarat	Patan	3180	3158	22
	Harij	3136	3104	32
	Rajkot	3135	3029	106
	Gondal	3195	3127	68
	Deesa	3154	3120	34
	Bhabar	3129	3090	39
	Mehsana	3160	3105	55
	Kadi	3185	3101	84
	Sabarkatha	3148	3102	46
	Gandhi Nagar	3196	3154	42
	Ahmedabad (Sanand)	3155	3051	104
	Halvad	3136	3073	63
	Junagadh	3259	3154	105
	Dhrol	2988	3166	-178
Rajasthan	Jodhpur	3133	3220	-87
	Sumerpur	3133	3155	-22

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		28-Apr-16	21-Apr-16	28-Mar-16	28-Apr-15
Gujarat	Patan	3175	3175	3035	3525
	Harij	3125	3110	3025	3560
	Rajkot	3200	2875	2925	3620
	Gondal	3180	3120	3055	3655
	Deesa	3165	3165	3045	3575
	Bhabar	3105	Closed	3025	3575
	Mehsana	3200	3125	3030	3525
	Kadi	3175	3150	3000	3600

	Sabarkatha	3175	3100	3025	3550
	Gandhi Nagar	3175	3150	3075	3575
	Ahmedabad (Sanand)	3040	3040	2920	3625
	Halvad	3110	3095	3050	3450
	Junagadh	3310	3150	3055	3585
	Dhrol	2950	3050	2870	3475
Rajasthan	Jodhpur	3100	3100	3000	3400
	Sumerpur	3125	3125	3100	3510

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	Weekly Sum Arrivals (Quintal)		Change
		22nd to 28th April.16	15th to 21st April.16	
Gujarat	Patan	60750	30750	30000
	Harij	18150	12975	5175
	Rajkot	2701	3830	-1129
	Gondal	4157	2930	1227
	Deesa	8792	3353	5439
	Bhabar	35221	3750	31471
	Mehsana	7350	4500	2850
	Kadi	20736	20988	-252
	Sabarkatha	5175	3600	1575
	Gandhi Nagar	6900	4575	2325
	Ahmedabad (Sanand)	371	254	117
	Halvad	11025	15750	-4725
	Junagadh	510	695	-185
	Dhrol	213	473	-260
Rajasthan	Jodhpur	384	188	197
	Sumerpur	3520	2320	1200
Total Arrivals/Above Markets		185955	110931	75024

Outlook & Recommendation:

Castor seed market is expected to trade steady to slightly weak due to poor buying interest from plants and stockiest. Availability is higher and importers are in no hurry to build up inventory under weak inner tone in the short term. Recovery is expected from mid May.

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