

Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

All India average price for castor seed decreased by 3.25 % from Rs 3274.55 to Rs 3168.06 per qtl during the week ended 21st May-2016. It is slightly higher from the price registered during the first week of May-2016. However, it is lower by 12.10 % from the price registered in May 2015. Buyers are in wait and watch mood and continue to buy at lower level. So any major dip from current level is unlikely. There is a common gossip in the market that this year castor area coverage would decrease by 15 to 20 percent due to better rainfall prospects and lower prevailing prices of seed in physical market despite good demand for oil.

India exported 9992.98MT castor oil during week ended 15th May-2016 at an average price of \$1130.1 per MT. It is higher by 3.78.% from previous week. The maximum and minimum prices were registered at \$4089.88 and 687.45 per MT. Castor oil export would continue to stay steady as prices are lower than normal expectation and availability is higher. With changing sentiments oil FoB quotes may move up as intension for retention has increased amid growing fear of lower area coverage. Farmers /Stockiests may hold seed until planting status gets clearly visible.

Prices of seed in Gujarat, A.P. and Rajasthan have decreased by 0.31, 1.53 & 1.59 percent last week despite pre sowing intention of farmer hints lower area coverage.

Castor seed market in Sumerpur located in region of Rajasthan traded unchanged. Stockiest remained active as arrival is being reported at 750/850 bags per day. As price is ruling lower, buyers have started accumulating stock in anticipation of higher price in second half of the year. Currently seed price is ruling at Rs 2950/2975 per qtl. Stock in the region is said to be around 2 lakh bags. As arrival has started decreasing, stock would not increase above 3 lakh bags this year.

In Deesa market, prices are likely to trade slightly steady in the near term. Stock of castor seed could be around 2.8-3 lakh bags, same compared to corresponding period of last year. This year retention of seed is higher at farmers end due to lower price.

NCDEX has announced that it will pay money to those net sellers who had sold castor seed when castor seed contracts were suspended in January-2016 as per announced formula. The exchange has announced the close out price for the seed during that time. The person who had deposited seed in exchange-accredited warehouses as hedgers at that time too would get money as compensation. Protecting investors by paying them money is first such move by any commodity derivative exchange.

Progressive Area Coverage: -

This year castor area may decrease by 20 % due to lower price and increasing possibility of higher rainfall. Farmer would prefer to shift to other lucrative cash crops in Gujarat and Rajasthan. Total area coverage may decline below 10 lakh ha. India had covered 11.38 lakh ha area under castor seed last year. Sowing is expected to commence from July. However, it would be better to wait for actual rainfall this year.

Agricultural Statistics Division, Directorate of Economics & Statistics, India has published its third adv estimate for food grains on 9th May-2016 and estimated 17.75 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.

Outlook & Recommendation: -

Overall market sentiment remains steady to slightly weak in the short to medium term. Agriwatch expects market to stay steady to range bound in fourth week of May due to increasing fear of lower area coverage and retention.

Call:

Futures contracts have been suspended on 27th Jan-2016

Stake holders in cash market should buy seed around Rs 2900 to Rs3000 for stock purpose.

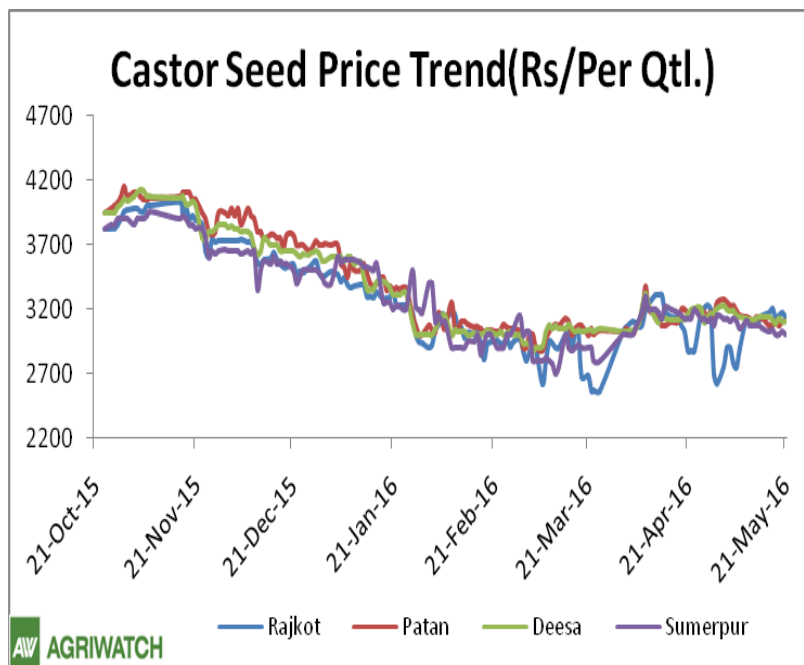
Castor Seed Price Chart:

Price Trend:

Cash markets traded slightly down last week due to poor buying interest by plants and weak demand from importers. Market may trade steady to slightly weak during fourth week of the month.

Seed market is expected to hover in range of Rs 2900 to Rs 3000 per qtl. Rajkot market average price for the week comes to Rs 3160 per qtl. For Patan It is Rs 3092.85 per qtl. Average price in Deesa comes to Rs 3117.85 per qtl.

Prices of seed are likely hover range bound as buyers interest is expected at lower level. Seed price may dip Rs 75 to Rs 100 more from current level.



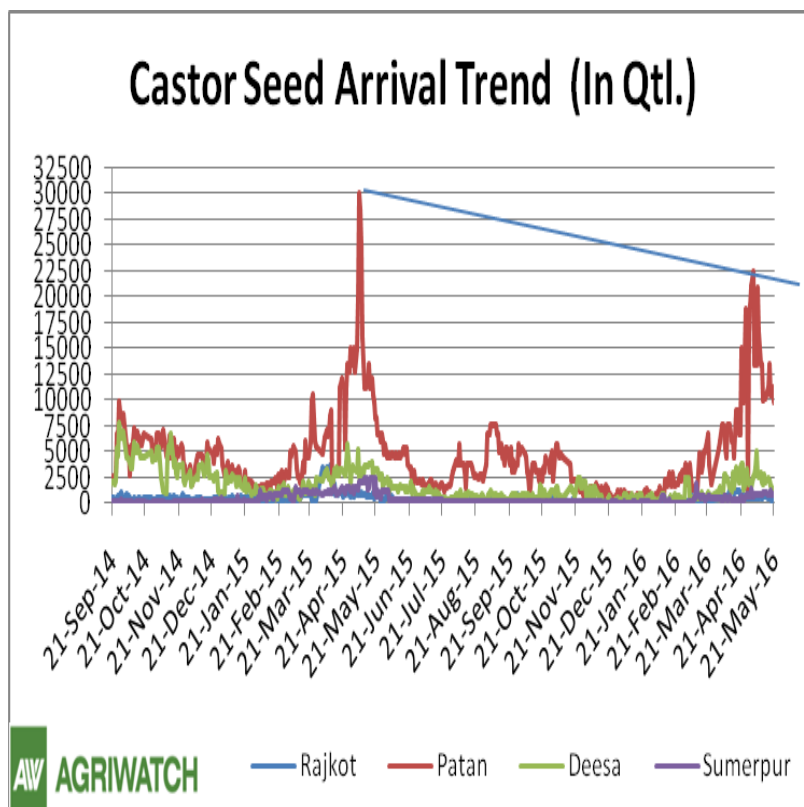
Castor Seed Arrival Chart:

Arrivals of seed have started decreasing in all major markets due to prevailing lower price..Fresh buying spree may support price at lower level 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 decreased now in Patan, Deesa too.

It has improved in Sumerpur from 600 qtl to 900 qtl per day. Stockiest s are active in anticipation of higher price in second half of the year.



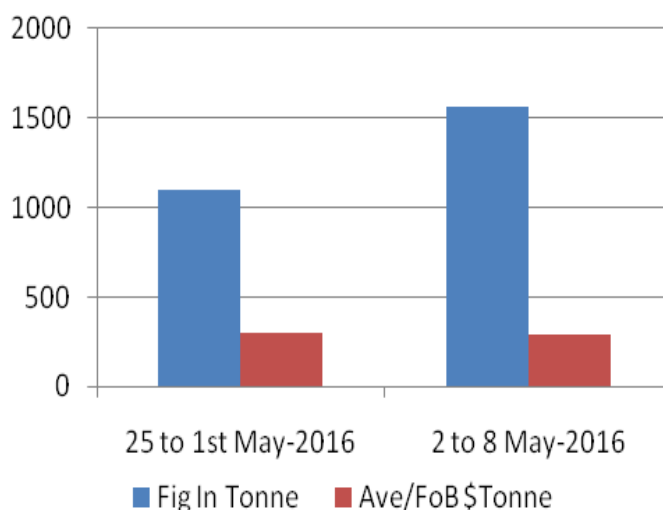
Castor Oil Export Trend:-

India exported 9992.98MT castor oil during week ended 15th May-2016 at an average price of \$1130.1 per MT. It is higher by 3.78.% from previous week. The maximum and minimum prices were registered at \$4089.88 and 687.45 per MT.

Castor oil export would continue to stay steady as prices are lower than normal expectation and availability is higher. With changing sentiments oil FoB quotes may move up as intension for retention has increased amid growing fear of lower area coverage. Farmers /Stockiest may hold seed until planting status gets clearly visible

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

Wheat Weekly Export Trend May-2016

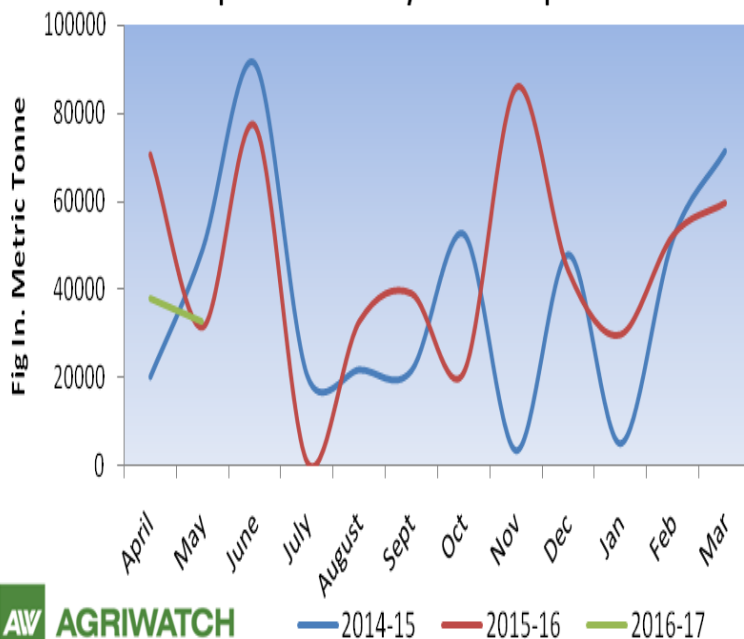
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Castor Meal Export

India had exported 37785 tonne castor meal in April, 2016. It is lower than exported volume in March-2016 by 2655 tonne. As seed price is ruling lower, export volume is expected to stay steady in May-2016 too.

FOB quotes for meal too has decreased slightly this week from \$74 to \$73 per tonne. France bought 2808.9 tonne meal last week at an ave price of \$101.65 per tonne.

Comparative Monthly Oilmeal Export



State Wise Weekly Price Trend:

State	Prices 16-23 May 2016	Prices 09-15 May 2016	Prices 01-08 May 2016	Prices 16-23 May 2015	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3137.28	3185.99	3228.16	3745.4	-1.53	-2.82	-16.24
Gujarat	3077.41	3087.05	3124.02	3751.96	-0.31	-1.49	-17.98
Karnataka	3000	3600	3350	3400.5	-16.67	—	-11.78
Maharashtra	2910	2940	2899	3250	—	—	—
Rajasthan	2913.87	2961.06	3054.84	3513.78	-1.59	-4.61	-17.07
Tamil Nadu	3875	3903.61	3282.67	3921.22	—	—	—
Telangana	3262.89	3244.19	3239.34	3646.56	0.58	0.73	-10.52
Average	3168.06	3274.55	3168.29	3604.20			

As per the data reported by APMCs

Castor Oil Export Fig. in Tonne			
	2015, April	2016, April	2016-May
1st Week	12400	3285.3	9628.55
2nd Week	10,000	9323.64	9992.98
3rd Week	8476	5756.88	
4th Week	9657	16542.23	
Total	40533	34908.05	

Cash Market Price Outlook For Deesa Spot

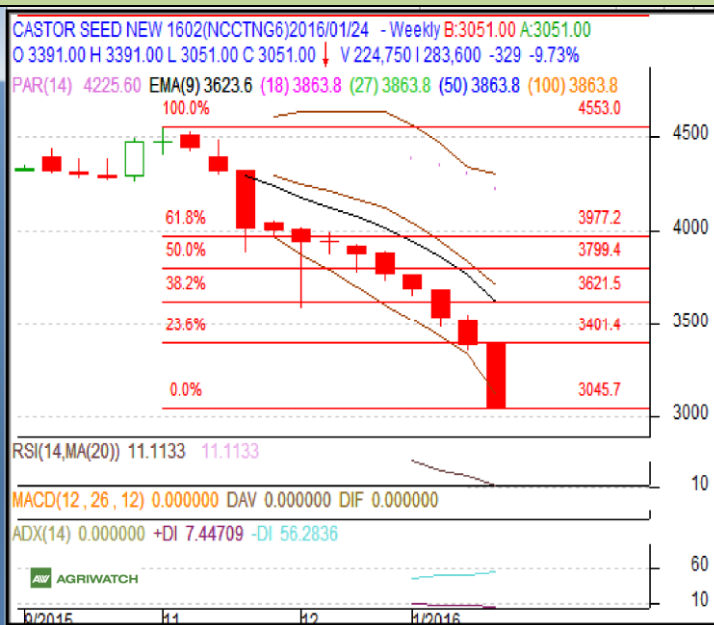
Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	2900-2950	2950-2975
Medium Term (30 days)	2975-3000	3000-3050

Comparative Prices Of Castor Products Including Seed					
	20th May '16	13th May '16	20th Apr '16	20 May'15	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	32500	32300	32200	39250	-20.77
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	73	73	73	110	-50.68
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	4950	1950	4850	7025	-41.92
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	990	1025	995	1278	-29.09
Local rates for oil in domestic market(Rs./M.T.) for comm.	68500	68800	68000	83375	-21.72

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		14th to 20th May.2016	07th to 13th May.16	
Gujarat	Patan	3092	3127	-35
	Harij	3122	3120	2
	Rajkot	3162	3123	40
	Gondal	3172	3205	-33
	Deesa	3121	3129	-8
	Bhabar	3119	3120	-1
	Mehsana	3113	3121	-8
	Kadi	3171	3169	2
	Sabarkatha	3149	3133	16
	Gandhi Nagar	3153	3143	10
	Ahmedabad (Sanand)	3078	3084	-6
	Halvad	3083	3096	-13
	Junagadh	3183	3161	22
	Dhrol	2925	2985	-60
Rajasthan	Jodhpur	2996	3060	-64
	Sumerpur	3023	3075	-52

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		20-May-16	13-May-16	20-Apr-16	20-May-15
Gujarat	Patan	3100	3125	3200	3775
	Harij	3150	3125	3125	3810
	Rajkot	3175	3115	3025	3790
	Gondal	NR	Closed	3155	3820
	Deesa	3100	3145	3120	3750
	Bhabar	3135	3135	3090	3775
	Mehsana	3110	3140	3115	3725
	Kadi	3200	3160	3125	3850
	Sabarkatha	3135	3150	3100	3825
	Gandhi Nagar	3175	3165	3165	3800

	Ahmedabad (Sanand)	3030	3110	3070	NA
	Halvad	3075	3085	3050	3625
	Junagadh	3130	3170	3175	3685
	Dhrol	3020	3100	3130	3650
Rajasthan	Jodhpur	3000	3000	3100	3600
	Sumerpur	3025	3070	3125	3750

Castor Seed Cumulative Arrivals in Key Centers:

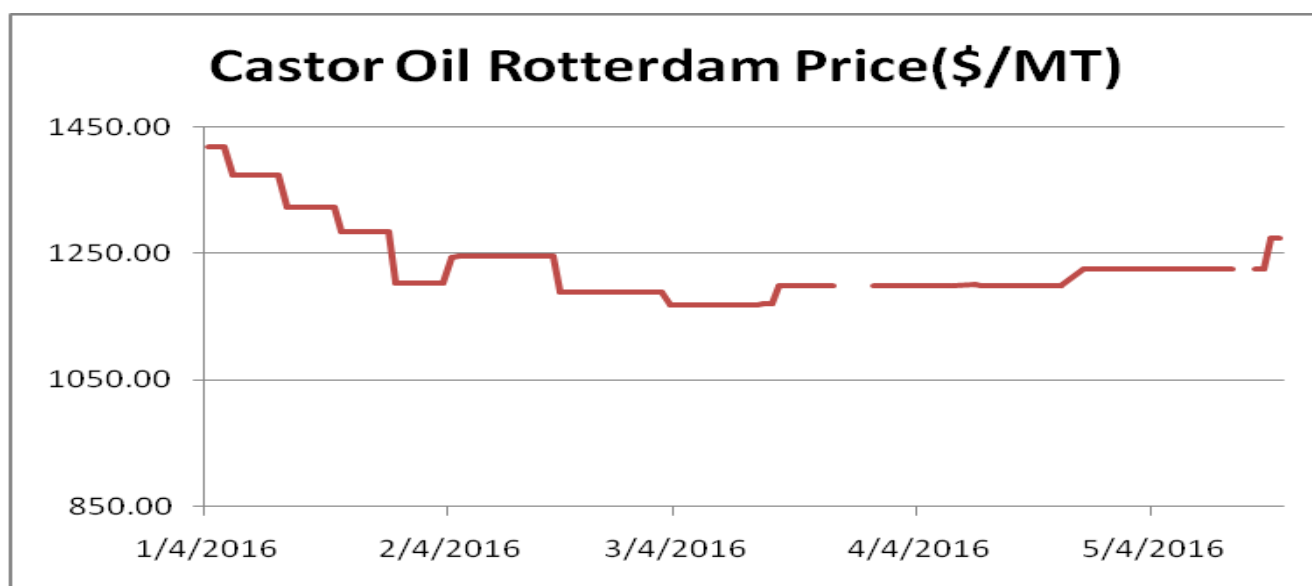
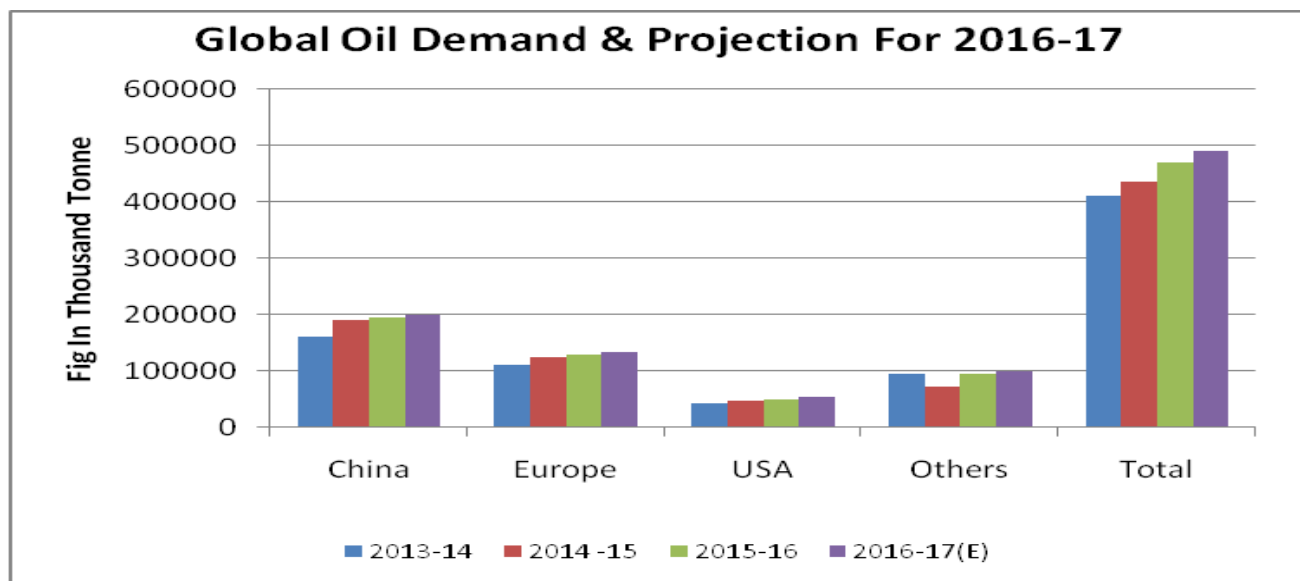
Center	Market	14th to 20th May.2016	07th to 13th May.16	Change
Gujarat	Patan	67500	64777	2723
	Harij	16050	14850	1200
	Rajkot	2470	3480	-1010
	Gondal	1862	2527	-665
	Deesa	11253	12150	-897
	Bhabar	22331	19848	2483
	Mehsana	6900	6750	150
	Kadi	183778	19480	164298
	Sabarkatha	2925	4725	-1800
	Gandhi Nagar	4725	5100	-375
	Ahmedabad (Sanand)	167	171	-4
	Halvad	8838	5999	2840
	Junagadh	972	705	267
	Dhrol	47	81	-34
Rajasthan	Jodhpur	202	365	-163
	Sumerpur	5360	5280	80
Total Arrivals/Above Markets		335380	166287	169093

Outlook & Recommendation:

Castor seed market is expected to trade steady to slightly weak. Firmness is expected in second half of the year. Availability is higher and importers are in no hurry to build up inventory as they have covered their first quarter need..

International market update:

Castor oil export is expected to increase by 4.26 % | 2016-17 as seed price in India is ruling lower by 10 percent from previous year. China and Europe would continue to dominate by buying major chunk of Indian castor oil. Total oil export may touch 4.8 lakh tonne this year.



Castor oil Rotterdam Price continue to decrease from Jan-2016 to April-2016. It improved slightly in May-2016 from \$1224.90 to \$1274.70 per T. It is likely to trade range bound in month of May.

As usual China continues to buy higher quantity during the week ending 8th May-2016, followed by USA and Belgium. The below given table shows country wise castor oil export. Total export in first week of May was registered at 9628.84 tonne. slightly lower than last week of April.

Castor Oil Export During 1st Week Of May-2016		
Country	QUANTITY inTons	Average of FOB \$/Tonne
CHINA	6332.17	978.67
U S A	529.19	1118.18
BELGIUM	474.03	1124.06
JAPAN	469.32	1056.98
U K	263.99	1025.43
NETHERLANDS	236.46	1334.20
U A E	215.55	1495.28
TURKEY	195.14	1150.10
others	913.01	1136.46
Total	9628.84	1157.71

Demand from global market is likely to remain stable to slightly weak as major buyers like China, EU and USA have covered their first quarter needs taking advantage of lower price. They are in bargaining position. However, depleting seed stock and fear of lower area coverage this year due to better prospects of rains can push seed price up in the second half of the year. It may encourage domestic market oil price.

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