

Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

All India average price for castor seed decreased by 9.58 % from Rs 3155.91 to Rs 2853.34 per qtl during the week ended 29th May-2016. It is lower by 12.51 % from the price registered in end 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 11996.83MT castor oil during week ended 24th May-2016 at an average price of \$1169.16 per MT. It is higher by 20.05% from previous week. The maximum and minimum prices were registered at \$8158.68 and 488.45 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 intention for retention has increased amid growing fear of lower area coverage. Farmers /Stockiests may hold seed until planting status gets clearly visible. Sowing would start from July.

Prices of seed in Gujarat, A.P. and Rajasthan have decreased by 1.31, 0.85 & 1.09 percent last week despite pre sowing intention of farmer hints lower area coverage. Major price dip has been seen in Tamilnadu and Maharashtra..

Castor seed market in Sumerpur located in region of Rajasthan traded down on weak sentiments. Stockiest remained active as arrival is being reported at 850/950 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 2800 to Rs2900 for stock purpose.

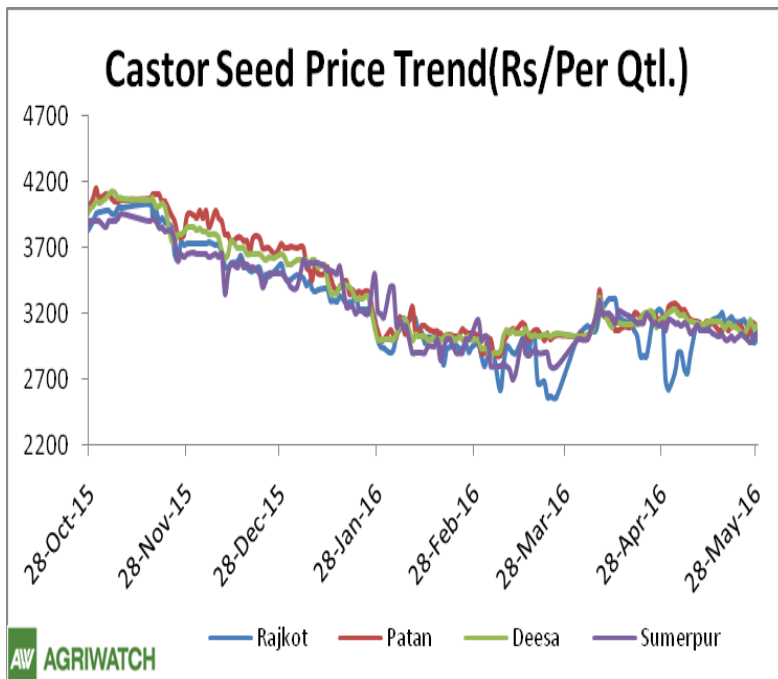
Castor Seed Price Chart:

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 first week of May.

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 3033.92 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 50 per qtl. more from current level.



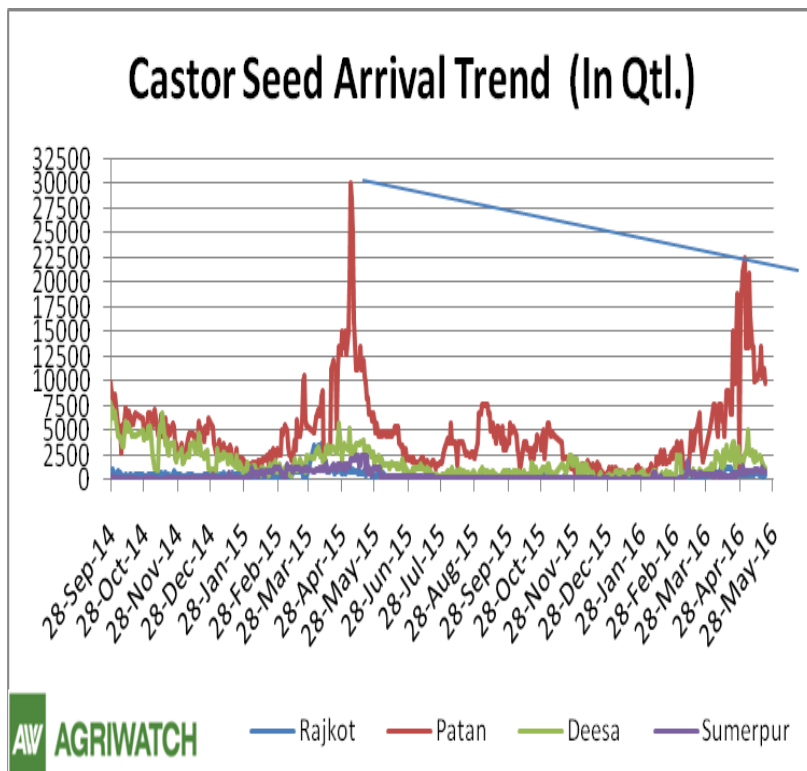
Castor Seed Arrival Chart:

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.



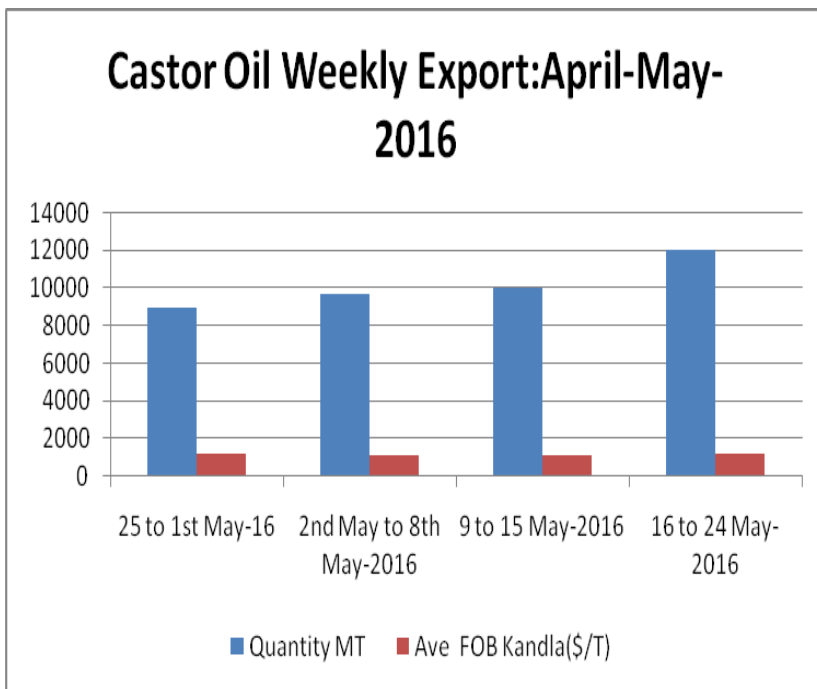
Castor Oil Export Trend:-

India exported 11996.83MT castor oil during week ended 24thMay-2016 at an average price of \$1169.66.1 per MT. It is higher by 20.05.% from previous week. The maximum and minimum prices were registered at \$8158.48 and 488.45 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.

Castor Oil Weekly Export:April-May-2016

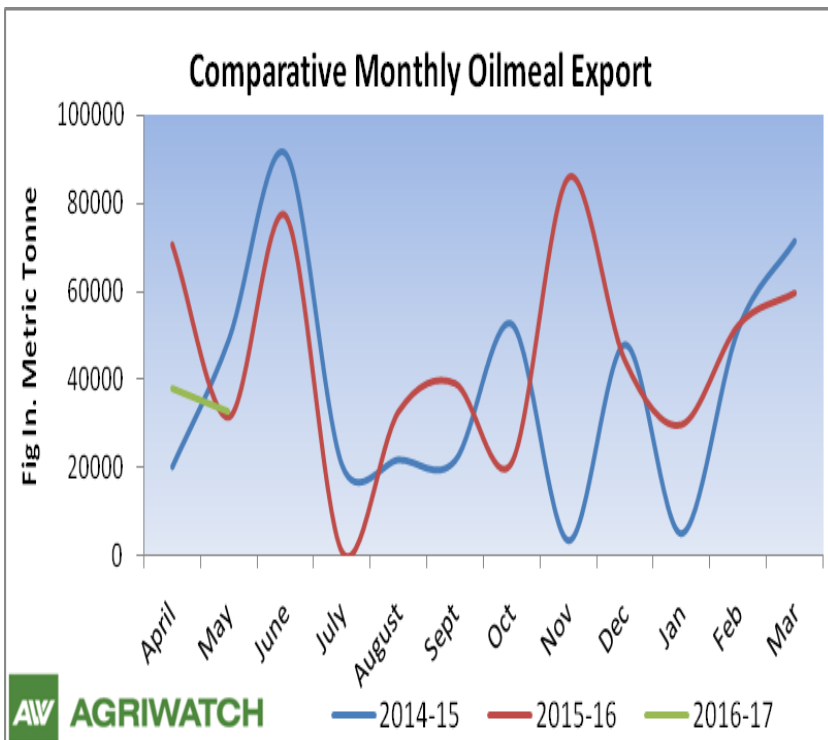


Castor Meal Export

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 wise Wholesale Prices Weekly Analysis for Castor Seed Fourth week May, 2016							
State	Prices 24-31 May 2016	Prices 16-23 May 2016	Prices 09-15 May 2016	Prices 24-31 May 2015	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3158.1	3131.41	3185.99	3828.58	0.85	-0.88	-17.51
Chattisgarh				2500	—	—	—
Gujarat	3033.92	3074.13	3087.05	3880.81	-1.31	-1.72	-21.82
Karnataka		3000	3600	1429.41	—	—	—
Maharashtra	2216.67	3051	2940	3388.75	-27.35	-24.6	-34.59
Rajasthan	2887.6	2919.35	2961.06	3721.39	-1.09	-2.48	-22.41
Tamil Nadu	2651.33	3565.29	3903.61	3593.54	-25.63	-32.08	-26.22
Telangana	3172.4	3350.16	3244.19	3750.59	-5.31	-2.21	-15.42
Average	2853.34	3155.91	3274.56	3261.63			

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	11996.83
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					
	27th May '16	20th May '16	27th Apr '16	27 May'15	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	3185	32500	32100	39250	-23.23
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	72	73	73	110	-52.78
EXPORT (FOR) Ports (Rs./MT)Castor meal	4825	4950	4850	7025	-45.60

bulk Kandla					
Castor Oil (First Grade) FOB Kandla (Export)\$/Tonne	980	990	995	1278	-30.41
Local rates for oil in domestic market(Rs./M.T.) for comm.	68000	68500	68000	83375	-22.61

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
		21st to 27th May.2016	14th to 20th May.2016	
Gujarat	Patan	3079	3092	-13
	Harij	3106	3122	-16
	Rajkot	3093	3162	-69
	Gondal	3143	3172	-30
	Deesa	3082	3121	-39
	Bhabar	3083	3119	-36
	Mehsana	3089	3113	-24
	Kadi	3109	3171	-62
	Sabarkatha	3114	3149	-35
	Gandhi Nagar	3114	3153	-39
	Ahmedabad (Sanand)	3045	3078	-33
	Halvad	3040	3083	-43
	Junagadh	3114	3183	-69
	Dhrol	3050	2925	125
Rajasthan	Jodhpur	2899	2996	-97
	Sumerpur	3008	3023	-16

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		27-May-16	20-May-16	27-Apr-16	27-May-15
Gujarat	Patan	3125	3100	3150	3875
	Harij	3150	3150	3110	3900
	Rajkot	NR	3175	3230	3755
	Gondal	3155	NR	3180	3930
	Deesa	3150	3100	3140	3875

	Bhabar	NR	3135	3090	3860
	Mehsana	3100	3110	3125	3900
	Kadi	3125	3200	3145	3880
	Sabarkatha	3125	3135	3150	3925
	Gandhi Nagar	3150	3175	3150	3950
	Ahmedabad (Sanand)	3035	3030	3050	NR
	Halvad	3025	3075	3165	3875
	Junagadh	3100	3130	3255	3835
	Dhrol	NA	3020	2950	3705
Rajasthan	Jodhpur	2950	3000	3150	3850
	Sumerpur	3000	3025	3100	3800

Castor Seed Cumulative Arrivals in Key Centers:

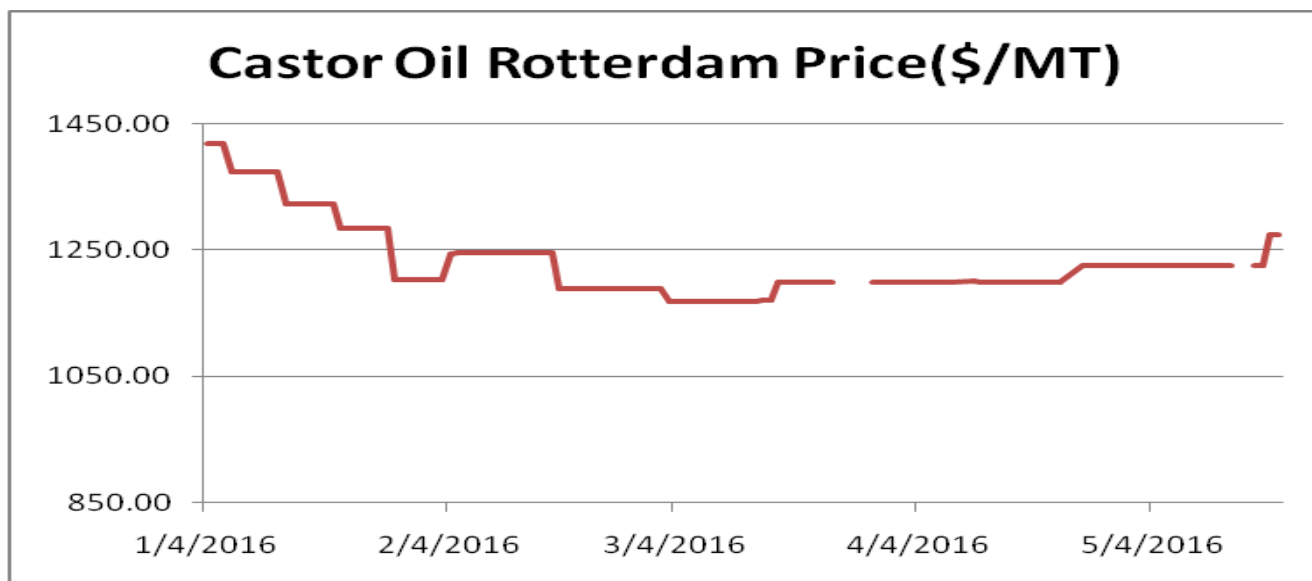
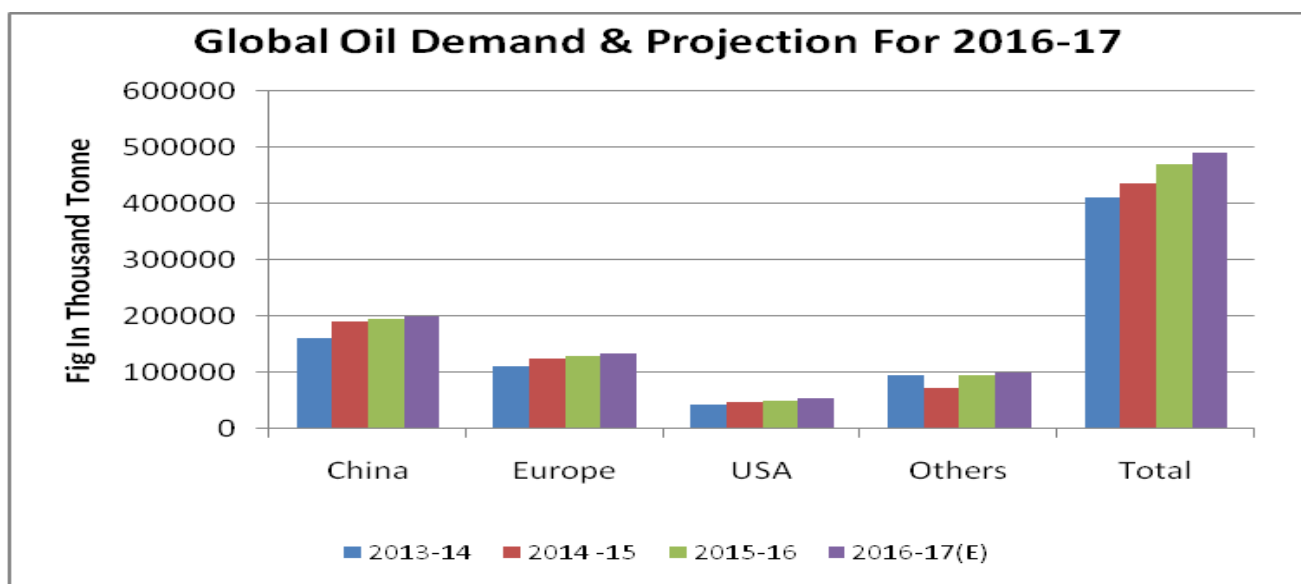
Center	Market	21st to 27th May.2016	14th to 20th May.2016	Change
Gujarat	Patan	66750	67500	-750
	Harij	10875	16050	-5175
	Rajkot	2285	2470	-185
	Gondal	2428	1862	566
	Deesa	10950	11253	-303
	Bhabar	13066	22331	-9265
	Mehsana	5775	6900	-1125
	Kadi	12240	183778	-171538
	Sabarkatha	2625	2925	-300
	Gandhi Nagar	3225	4725	-1500
	Ahmedabad (Sanand)	202	167	35
	Halvad	11175	8838	2337
	Junagadh	697	972	-275
Dhrol	95	47	48	
Rajasthan	Jodhpur	218	202	16
	Sumerpur	5360	5360	Unch
Total Arrivals/Above Markets		147964	335380	-187416

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.

Outlook:

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 too..

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