

Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

All India average price for castor seed increased by 1.28 % from Rs 2972.54 to Rs 3010.64 per qtl during the week ended 4th June-2016. It is lower by 15.21 % from the price registered in the beginning of June, 2015. As prices are ruling lower, buyers remain active. Arrivals are comparatively 20 % lower this year due to lower price. Lower prevailing price of seed has discouraged farmers to release entire stock and they have preferred to retain 30 to 40 % crop in anticipation of price hike, generally seen in third and 4th quarter of the year. Good prospects for monsoon rain and lower prevailing price this year has given ground for lower acreage under castor coverage.

India exported 14329.86 MT castor oil during week ended 29th May-2016 at an average price of \$1192.95 per MT. It is higher by 19.45 % quantity wise from previous week. The maximum and minimum prices were registered at \$5479.28 and 918.61 per MT. Castor oil export volume would continue to move up as prices are lower and availability is higher. As prices are ruling lower FoB quotes for castor oil may stay steady in the weeks ahead. Farmers /Stockiest may hold seed until planting status gets clearly visible. Sowing would start from July.

Prices of seed in Andhra Pradesh and Maharashtra have increased by 1.21, & 10.07 percent last week despite pre sowing intention of farmer hints lower area coverage. Major price dip has been seen in Tamil Nadu and Telangana last week. Price of seed in Rajasthan decreased slightly too as buyers remain uncertain over short term sentiments.

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.

Stock of castor seed in Deesa market could be around 2.8-3 lakh bags at present, almost same as compared to corresponding period last year. This year retention of seed is higher at farmers end due to lower price. New entrants are hesitant to stock castor seed this year due to divided opinion on price outlook so far.

Sebi and NCDEX, both are engaged in cementing the risk management and surveillance mechanism at their own level. While Sebi has set up a task force and risk management committee, which is considering the methodology for handling default by members, among others, the NCDEX has strengthened mandi-level surveillance, which influences futures the most.

Progressive Area Coverage: -

This year castor area may decrease by 20 % due to lower price and increasing possibility of higher rainfall. Farmers 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. Farmers may prefer to shift to pulses and other spice crops.

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 in second week of June due to increasing fear of lower area coverage and higher percentage of retention.

Call:

Futures contracts have been suspended on 27th Jan-2016

Stake holders in cash market may opt for buying seed around Rs 2800 to Rs2950 for stock purpose.

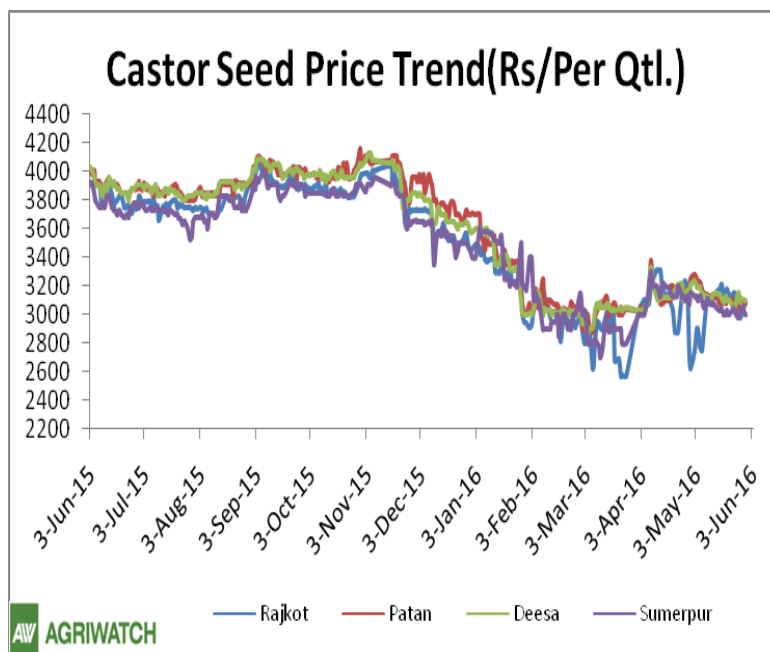
Castor Seed Price Chart:

Price Trend:

Cash markets traded slightly down last week due to poor buying interest by plants and weak demand from stockiest. Market may trade steady to slightly weak during first week of June.

Seed market is expected to hover in range of Rs 2950 to Rs 3050 per qtl. Rajkot market average price for the week comes to Rs 3002.92 per qtl. For Patan It is Rs 3092.85 per qtl. Average price in Deesa comes to Rs 3110.15 per qtl.

Prices of seed are likely to hover range bound as buyers interest is expected at lower level. Seed price may dip Rs 50 per qtl. more from current level.

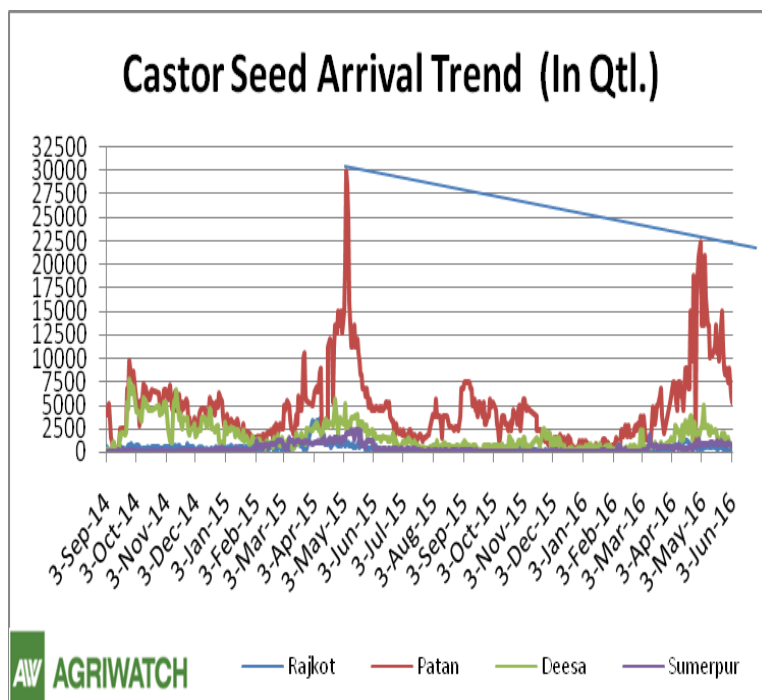


Castor Seed Arrival Chart:

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 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 40 % of their stock due to lower price.

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



Castor Oil Export Trend:-

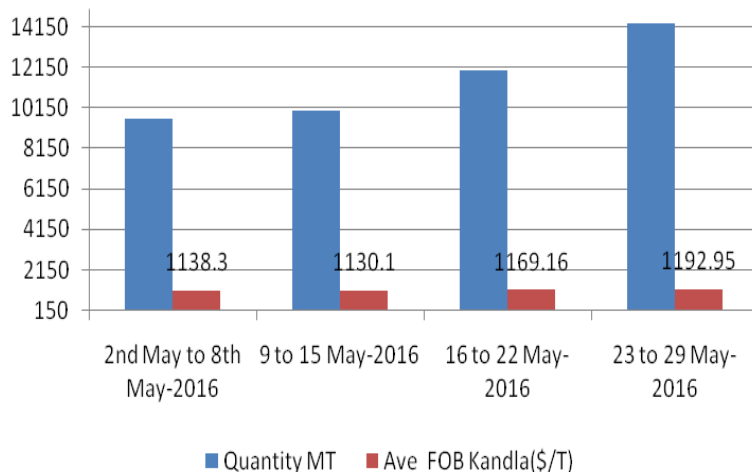
Castor oil export has been on rise from last four weeks and it reached at 14329.86 T last week, almost higher by 19 percent from previous week. Average price realization too increased by 2.03 % in comparison to last week.

The maximum and minimum prices were registered at \$5479.28 and 918.61 per MT.

Castor oil export would continue to increase as prices are lower than normal expectation and availability is higher. 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

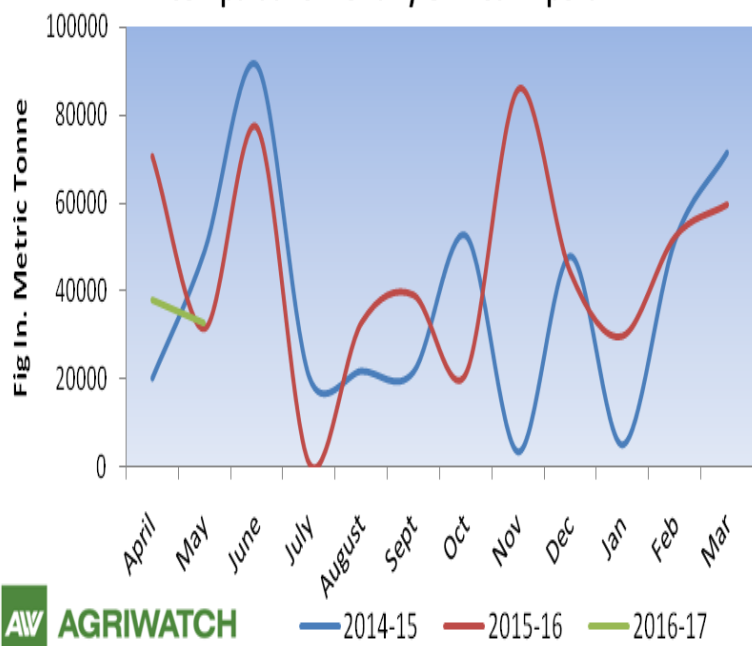


Castor Meal Export

India had exported 37785 tonne castor meal in April, 2016. It is lower than volume exported 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 01-08 Jun 2016	Prices 24-31 May 2016	Prices 16-23 May 2016	Prices 01-08 Jun 2015	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3150.89	3113.32	3131.41	3787.98	1.21	0.62	-16.82
Chattisgarh		2500			—	—	—
Gujarat	2995.32	3041.05	3074.12	3912.33	-1.5	-2.56	-23.44
Karnataka	3083.33		3000		—	2.78	—
Maharashtra	2971.43	2699.62	3051	3299.5	10.07	-2.61	-9.94
Rajasthan	2851.58	2875.1	2919.35	3718.68	-0.82	-2.32	-23.32
Tamil Nadu	2919	3385.95	3565.29	3515.71	-13.79	-18.13	-16.97
Telangana	3102.94	3192.71	3350.16	3802.02	-2.81	-7.38	-18.39
Average	3010.64	2972.54	3155.9	3550.89			

Castor Oil Export Fig. in Tonne

	2015, April	2016, April	2016-May	% Inc.MoM
1st Week	12400	3285.3	9628.55	193.08
2nd Week	10000	9323.64	9992.98	7.18
3rd Week	8476	5756.88	11996.83	108.39
4th Week	9657	16542.23	14329.86	-13.37
Total	40533	34908.05	45948.22	31.63

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 bulk Kandla	4825	4950	4850	7025	-45.60
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

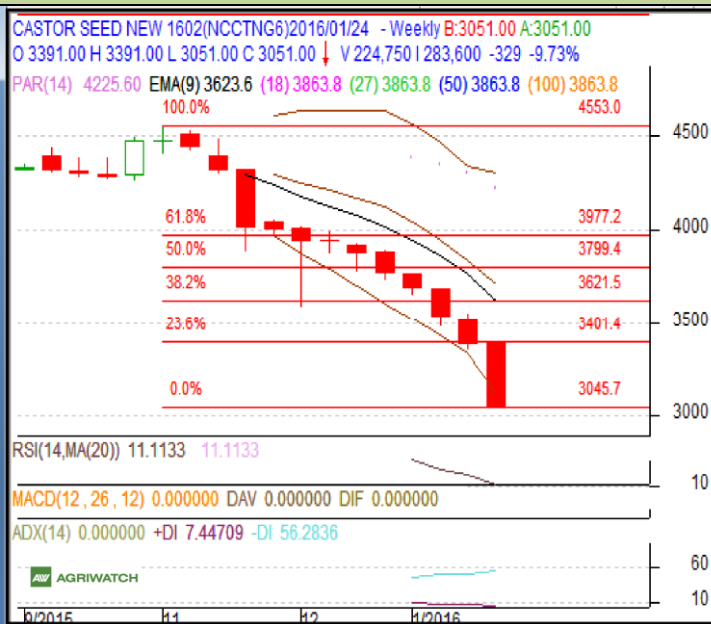
Source: SEA.

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
Center		28th to 03rd June.2016	21st to 27th May.2016	
Gujarat	Patan	3055	3079	-24
	Harij	3073	3106	-33
	Rajkot	3056	3093	-37
	Gondal	3101	3143	-42
	Deesa	3072	3082	-10
	Bhabar	3047	3083	-37
	Mehsana	3050	3089	-39
	Kadi	3099	3109	-10
	Sabarkatha	3104	3114	-10
	Gandhi Nagar	3088	3114	-27
	Ahmedabad (Sanand)	3018	3045	-28
	Halvad	3038	3040	-2
	Junagadh	3021	3114	-93
	Dhrol	2924	3050	-126
Rajasthan	Jodhpur	2887	2899	-13
	Sumerpur	2995	3008	-13

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		3-Jun-16	27-May-16	3-May-16	3-Jun-15
Gujarat	Patan	3105	3125	3250	4025
	Harij	3090	3150	3225	4050
	Rajkot	3030	NR	3200	3900
	Gondal	3055	3155	3255	3955
	Deesa	3065	3150	3195	4025
	Bhabar	3070	NR	3175	4025
	Mehsana	3050	3100	3185	4000

	Kadi	3070	3125	3225	4055
	Sabarkatha	3100	3125	3225	4035
	Gandhi Nagar	3075	3150	3200	4035
	Ahmedabad (Sanand)	NA	3035	3255	NR
	Halvad	3030	3025	3125	3900
	Junagadh	3020	3100	3150	4020
	Dhrol	2920	NR	2910	3850
Rajasthan	Jodhpur	2895	2950	3150	3900
	Sumerpur	2980	3000	3125	3925

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	28th to 03rd June.2016	21st to 27th May.2016	Change
Gujarat	Patan	44250	66750	-22500
	Harij	11775	10875	900
	Rajkot	2325	2285	40
	Gondal	2051	2428	-377
	Deesa	6234	10950	-4715
	Bhabar	8483	13066	-4583
	Mehsana	5100	5775	-675
	Kadi	12080	12240	-160
	Sabarkatha	1950	2625	-675
	Gandhi Nagar	3863	3225	638
	Ahmedabad (Sanand)	200	202	-2
	Halvad	19125	11175	7950
	Junagadh	425	697	-272
	Dhrol	25	95	-70
Rajasthan	Jodhpur	203	218	-15
	Sumerpur	4480	5360	-880
Total Arrivals/Above Markets		122568	147964	-25397

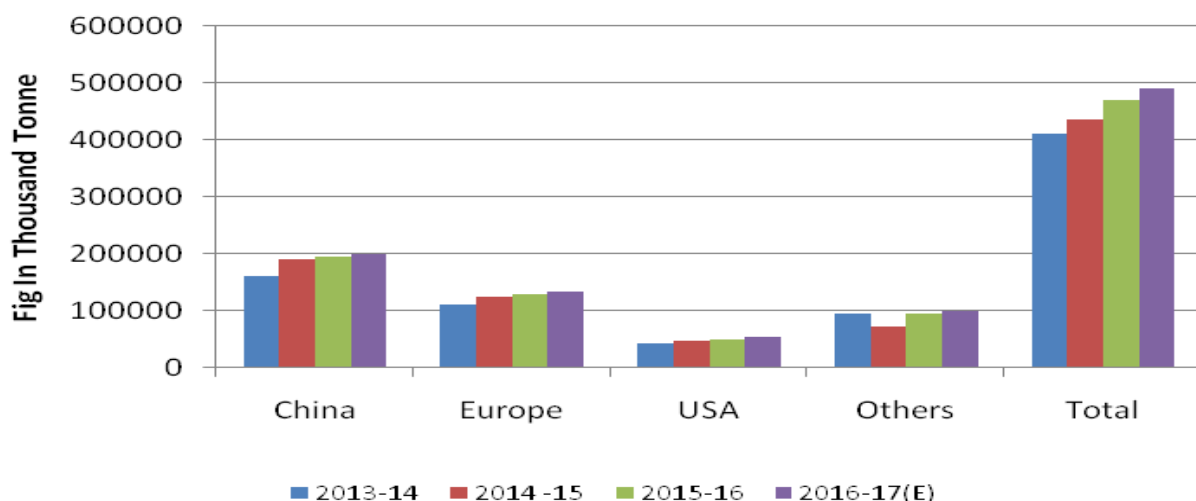
Outlook & Recommendation:

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 so far.

International market update:

Castor oil export is expected to increase by 4.26 % in 2016-17 as seed price in India is ruling lower by 15 percent from previous year. China and Europe would continue to dominate by buying major chunk of Indian castor oil. Total oil export may touch 5 lakh tonne this year.

Global Oil Demand & Projection For 2016-17



Rotterdam Price Trend(\$/T)



Castor oil Rotterdam Price continue to increase from May-2016 to 2nd June-2016. It improved slightly during last two weeks from \$1224.90 to \$1249.60 per T. It is likely to trade up in month of June..

China brought 5513.21 T castor oil last week, followed by France, it brought 4395.62 T oil in the last week of May-2016.

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 seed and oil price in domestic market. Overall trend for June remains weak.

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