

Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

All India average price for castor seed decreased by 1.71% from Rs 3179.72 to Rs 3125.13 per qtl during the week ended 11th June-2016. It is lower by 10.99 % from the price registered in the second week of June, 2015. As prices are ruling lower, buyers remain active. Arrivals are comparatively 25 % 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 35 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 crop coverage.

India exported 15157.48 MT castor oil during week ended 5th June`-2016 at an average price of \$1126.76 per MT. It is higher by 5.78 % quantity wise from previous week. The maximum and minimum prices were registered at \$5228.18 and 224.44 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. Monsoon advancement hints timely rain fall in major growing states. Fear of area shifting is getting ground now.

Prices of seed in Andhra Pradesh and Maharashtra have increased by 0.78, & 3.79 percent last week despite pre sowing intention of farmer hints lower area coverage. Major price dip has been seen in Tamil Nadu last week. Price of seed in Rajasthan increased slightly (0.95% as buyers remain active..

Castor seed market in Sumerpur located in the region of Rajasthan traded flat on weak sentiments. Stockiest remained active as arrival is being reported at 650/700 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 2975/3000 per qtl. Stock in the region is said to be around 2.5 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 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 over 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 in Rajasthan and Gujarat.

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 third 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 2850 to Rs2950 for stock purpose.

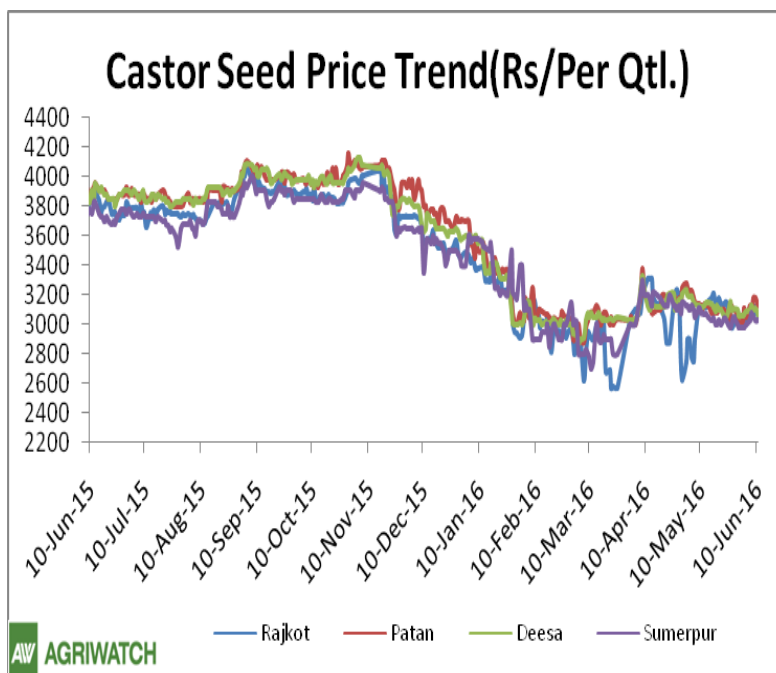
Castor Seed Price Chart:

Price Trend:

Cash markets traded slightly up last week due to continuous buying interest by plants and normal demand from stockiest. Market may trade steady to slightly weak during second 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 3015.71 per qtl. For Patan It is Rs 3095.95 per qtl. Average price in Deesa comes to Rs 3116.15 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. from current level.

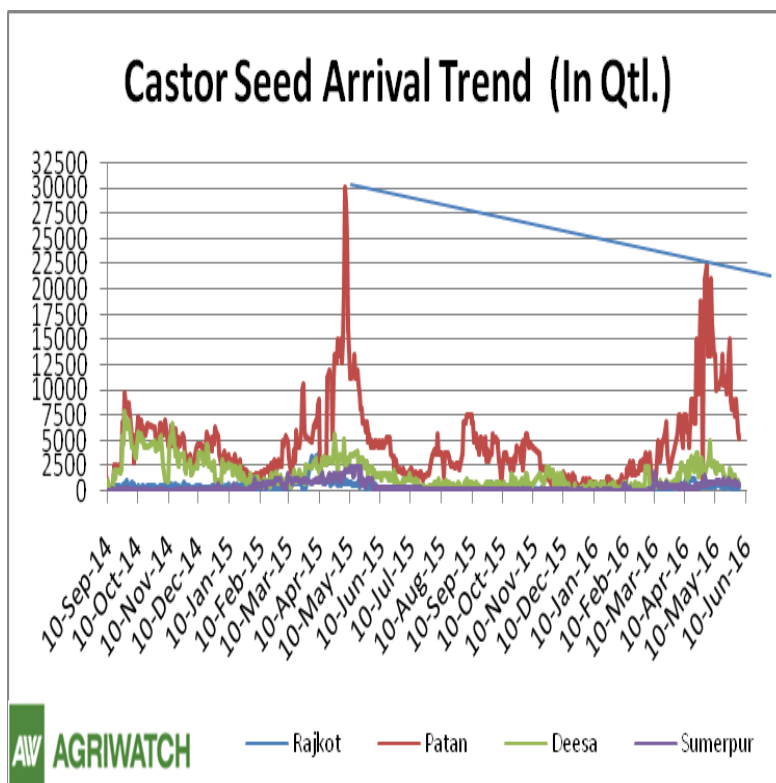


Castor Seed Arrival Chart:

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:-

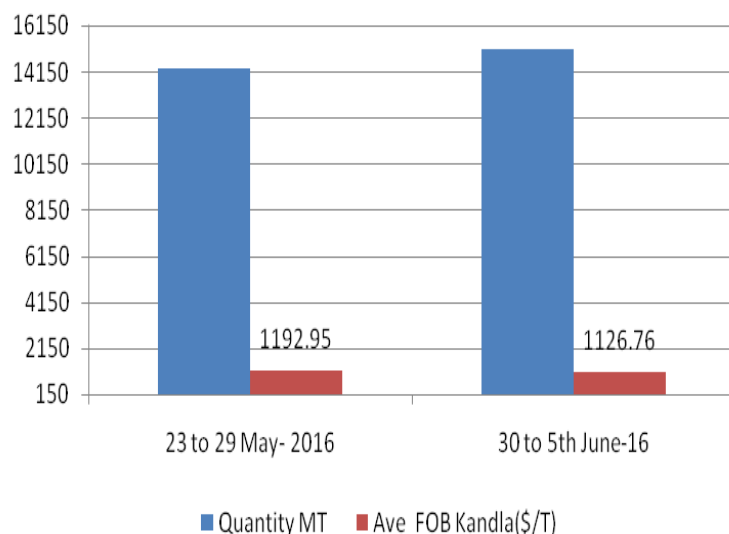
Castor oil export has been on rise from last four weeks and it reached at 15157.48T last week, almost higher by 5.78 percent from previous week. Average price realization too decreased by 5.55 % in comparison to last week

The maximum and minimum prices were registered at \$5228.17.28 and 224.14 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:June-2016

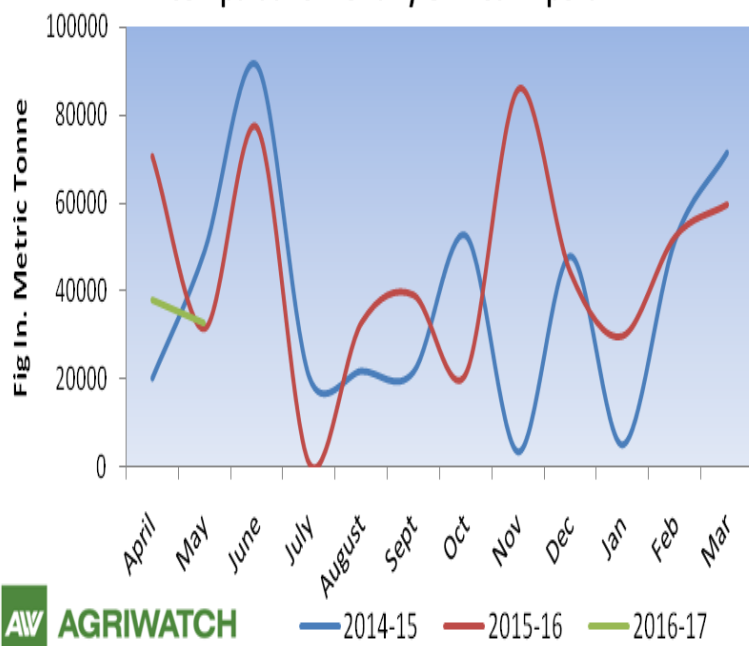


Castor Meal Export

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 09-15 Jun 2016	Prices 01-08 Jun 2016	Prices 24-31 May 2016	Prices 09-15 Jun 2015	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3172.23	3141.51	3113.32	3686.06	0.98	1.89	-13.94
Chattisgarh			2500		—	—	—
Gujarat	3026.71	3029.14	3041.04	3870.78	-0.08	-0.47	-21.81
Karnataka	3200	3157.14			1.36	—	—
Madhya Pradesh		3705.77		2838.4	—	—	—
Maharashtra	3084	2971.43	2699.62	3227.4	3.79	14.24	-4.44
Rajasthan	2911.08	2883.6	2875.1	3702.95	0.95	1.25	-21.38
Tamil Nadu	3359.53	3461.23	3383.68	3593.76	-2.94	-0.71	-6.52
Telangana	3122.38	3087.95	3192.71	3658.35	1.11	-2.2	-14.65
Average	3125.13	3179.72	2972.21	3511.1			

Castor Oil Export Fig. in Tonne

	2015, April	2016, April	2016-May	2016-June
1st Week	12400	3285.3	9628.55	15157.48
2nd Week	10,000	9323.64	9992.98	
3rd Week	8476	5756.88	11996.83	
4th Week	9657	16542.23	14329.86	
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

	3rd June '16	27th May '16	3rd May '16	3rd June '15	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	31450	31850	32650	39870	-26.77
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	72	72	73	112	-55.56
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	4800	4825	4850	7184	-49.67
Castor Oil (First Grade) FOB Kandla (Export)\$/Tonne	975	980	1035	1279	-31.18
Local rates for oil in domestic market(Rs./M.T.) for comm.	67500	68000	70000	83012	-22.98

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		04th to 10th June.2016	28th to 03rd June.2016	
Gujarat	Patan	3125	3055	70
	Harij	3112	3073	38
	Rajkot	3084	3056	28
	Gondal	3122	3101	21
	Deesa	3099	3072	28
	Bhabar	3083	3047	36
	Mehsana	3081	3050	31
	Kadi	3094	3099	-5
	Sabarkatha	3117	3104	13
	Gandhi Nagar	3129	3088	42
	Ahmedabad (Sanand)	3077	3018	59
	Halvad	3002	3038	-37
	Junagadh	3088	3021	67
	Dhrol	2770	2924	-154
Rajasthan	Jodhpur	2878	2887	-8
	Sumerpur	3034	2995	39

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		10-Jun-16	3-Jun-16	10-May-16	10-Jun-15
Gujarat	Patan	3140	3105	3125	3900
	Harij	3110	3090	3125	3925
	Rajkot	3080	3030	3100	3825
	Gondal	3130	3055	3205	3855
	Deesa	3075	3065	3120	3900
	Bhabar	3050	3070	3120	3950
	Mehsana	3050	3050	3125	3850
	Kadi	3120	3070	3190	3975
	Sabarkatha	3075	3100	3125	3910

	Gandhi Nagar	3090	3075	3150	3950
	Ahmedabad (Sanand)	3050	2990	3070	3880
	Halvad	2960	3030	3065	3800
	Junagadh	3125	3020	3150	3855
	Dhrol	2950	2920	3025	3700
Rajasthan	Jodhpur	2900	2895	3100	3750
	Sumerpur	3025	2980	3075	3775

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	04th to 10th June.2016	28th to 03rd June.2016	Change
Gujarat	Patan	39191	44250	-5060
	Harij	7500	11775	-4275
	Rajkot	1280	2325	-1045
	Gondal	1718	2051	-333
	Deesa	4678	6234	-1556
	Bhabar	13058	8483	4575
	Mehsana	3825	5100	-1275
	Kadi	9760	12080	-2320
	Sabarkatha	2250	1950	300
	Gandhi Nagar	3450	3863	-413
	Ahmedabad (Sanand)	33	200	-167
	Halvad	17025	19125	-2100
	Junagadh	475	425	50
	Dhrol	35	25	10
Rajasthan	Jodhpur	390	203	188
	Sumerpur	2960	4480	-1520
Total Arrivals/Above Markets		107627	122568	-14941

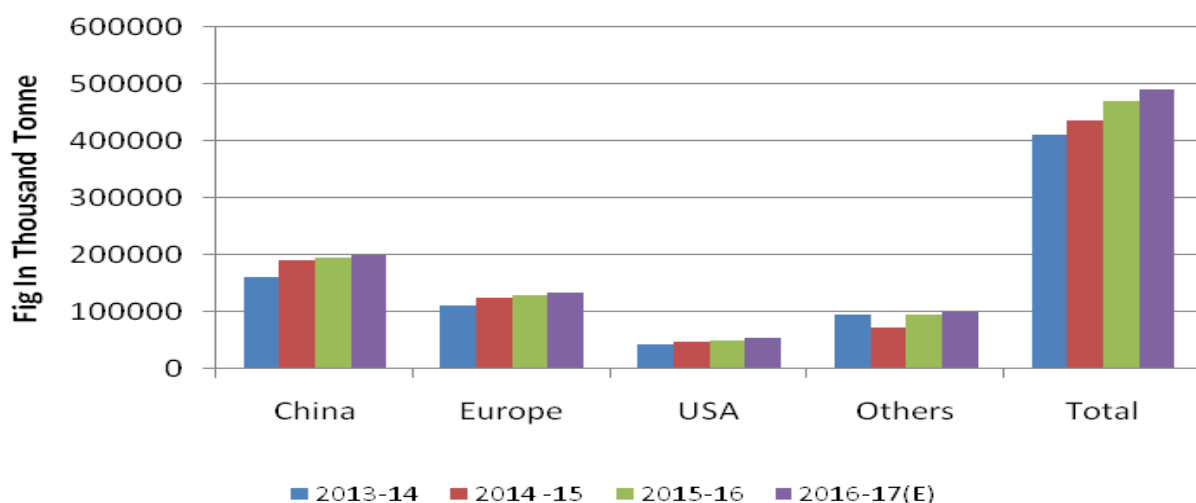
Outlook & Recommendation:

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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