

Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

All India average price for castor seed increased slightly by 0.17 % from Rs 3018.53 to Rs 3023.86 per qtl during the week ended 18th June-2016. It is lower by 9.25 % from the price registered in the third week of June, 2015. As prices are ruling lower, buyers remain active. Arrivals are comparatively 30 % lower this year due to lower price. Lower prevailing price of seed has discouraged farmers from releasing 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.

India exported 16541.37 MT castor oil during week ended 12th June`-2016 at an average price of \$11289.06 per MT. It is higher by 9.13 % quantity wise from previous week. The maximum and minimum prices were registered at \$4884.23 and 932.88 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 by Sep end. Sowing would start from July. Monsoon advancement hints at timely rain fall in major growing States. Fear of area shifting is getting ground now. Around 20 percent acreage is expected to decline this year.

Prices of seed in Gujarat, Maharashtra and Rajasthan have decreased by 0.78, 4.51 & 3.79 and 0.13 percent respectively last week despite pre sowing intention of farmer hints at lower area coverage. However, prices increased in Andhra Pradesh and Telangana.

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 550/600 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 2.7 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 3.5 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.

Farmers in Rajasthan and Gujarat would prefer to shift from castor seed to pulses and spices this year due to huge price difference. major decline may be seen in Gujarat. Total area may decrease from 11.25 lakh ha to 10.03 lakh ha. However, yield is expected to increase by 15 percent due to better prospects of rains this year.

Progressive Area Coverage: -

This year castor area may decrease by 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 fourth 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 Rs 2950 for stock purpose.

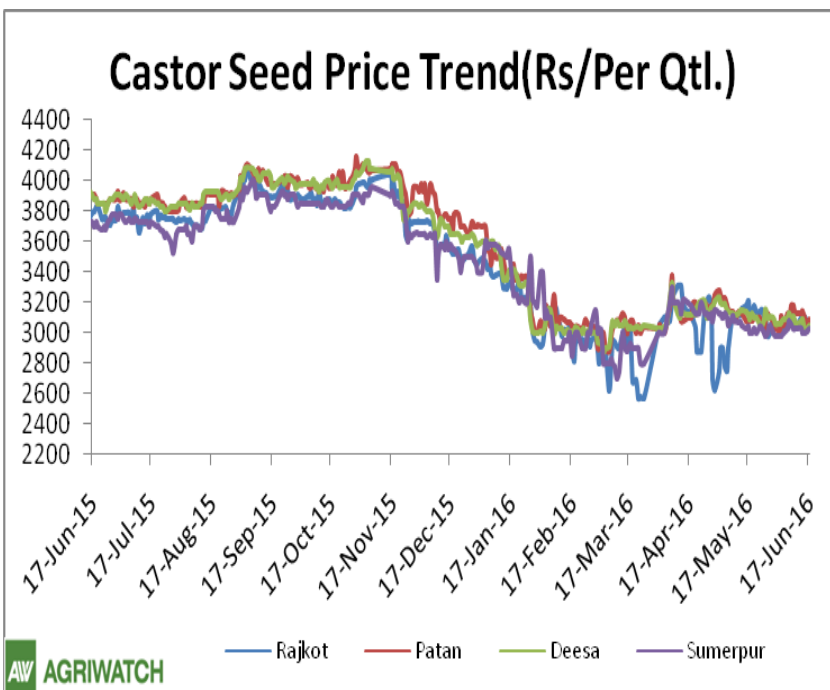
Castor Seed Price Chart:

Price Trend:

Cash markets traded slightly down last week due to subdued buying interest by plants and weak demand from stockiest. Market may trade steady to slightly weak during third 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 3062.5 per qtl. For Patan It is Rs 3105 per qtl. Average price in Deesa comes to Rs 3053.06 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 .

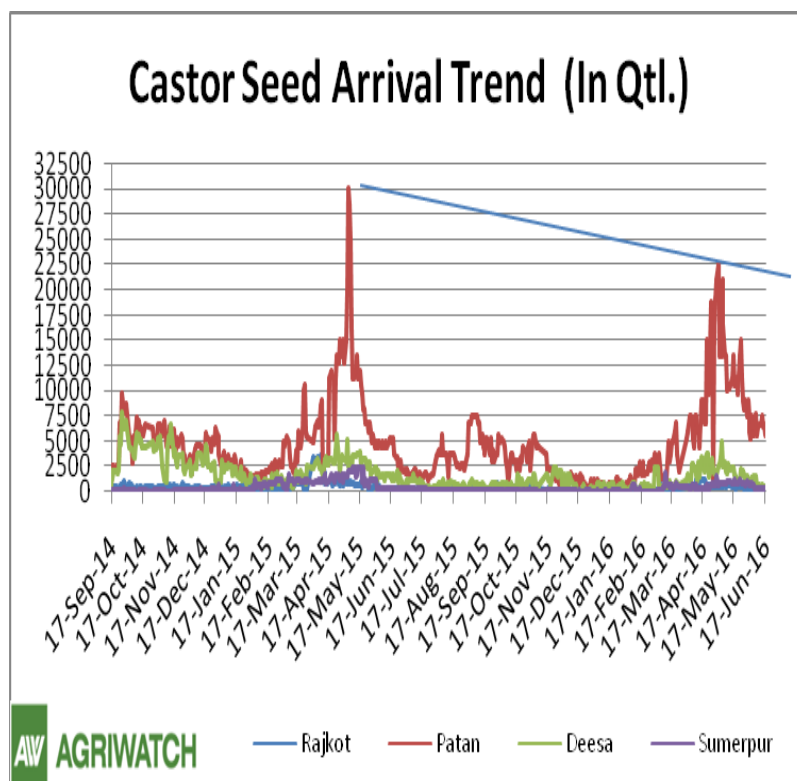


Castor Seed Arrival Chart:

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 remain active in anticipation of higher price in second half of the year.



Castor Oil Export Trend:-

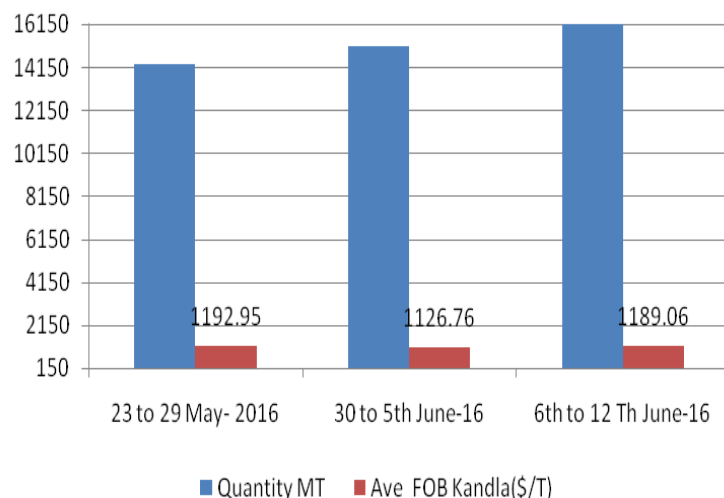
Castor oil export has been on rise from past four weeks and it reached at 16541.37T last week, almost higher by 9.13 percent from previous week. Average price realization too increased by 5.53 % in comparison to last week.

The maximum and minimum prices were registered at \$4884.13.28 and 932.23 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

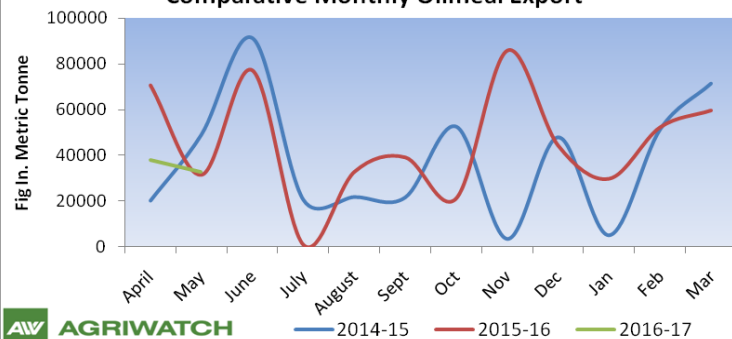


Castor Meal Export

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 average price of \$101.65 per tonne.

Comparative Monthly Oilmeal Export



State Wise Weekly Price Trend:

State wise Wholesale Prices Weekly Analysis for Castor Seed Third week June, 2016

State	Prices 16-23 Jun 2016	Prices 09-15 Jun 2016	Prices 01-08 Jun 2016	Prices 16-23 Jun 2015	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3204.61	3135.26	3141.51	3682.04	2.21	2.01	-12.97
Gujarat	2987.71	3011.18	3030.55	3842.96	-0.78	-1.41	-22.25
Karnataka		3200	3157.14	1788.1	—	—	—
M P		2400	3705.77	3050	—	—	—
Maharashtra	2925	3063	2971.43	3256.67	-4.51	-1.56	-10.18
Rajasthan	2880.1	2883.75	2883.6	3682.63	-0.13	-0.12	-21.79
Tamil Nadu		3360.11	3461.23	3742.86	—	—	—
Telangana	3121.89	3094.95	3085.87	3611.91	0.87	1.17	-13.57

Average	3023.86	3018.53	3179.64	3332.15			
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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	10000	9323.64	9992.98	16541.37
3rd Week	8476	5756.88	11996.83	
4th Week	9657	16542.23	14329.86	
Total	40533	34908.05	45948.22	31698.85

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					
	10th June '16	3rd June '16	10th May '16	10th June '15	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	31500	31450	32150	39870	-26.57
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	72	72	73	112	-55.56
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	4800	4800	4950	7184	-49.67
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	975	975	1010	1279	-31.18
Local rates for oil in domestic market(Rs./M.T.) for comm.	67000	67500	68700	83012	-23.90

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		11th to 17th June.2016	04th to 10th June.2016	
Gujarat	Patan	3084	3125	-41
	Harij	3055	3112	-57
	Rajkot	3062	3084	-22
	Gondal	3149	3122	27
	Deesa	3053	3099	-46
	Bhabar	3035	3083	-48
	Mehsana	3037	3081	-44
	Kadi	3081	3094	-13
	Sabarkatha	3053	3117	-64
	Gandhi Nagar	3061	3129	-68
	Ahmedabad (Sanand)	3020	3077	-57
	Halvad	2999	3002	-3
	Junagadh	3082	3088	-6
	Dhrol	2816	2770	46
Rajasthan	Jodhpur	2929	2878	51
	Sumerpur	3013	3034	-21

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		17-Jun-16	10-Jun-16	17-May-16	17-Jun-15
Gujarat	Patan	3000	3140	3075	3900
	Harij	3060	3110	3150	3900
	Rajkot	3055	3080	3205	3790
	Gondal	3180	3130	3255	3805
	Deesa	3050	3075	3120	3900
	Bhabar	3030	3050	3125	3920
	Mehsana	3025	3050	3100	3875
	Kadi	3075	3120	3175	3935
	Sabarkatha	3025	3075	3150	3925
	Gandhi Nagar	3050	3090	3150	3950
	Ahmedabad (Sanand)	3015	3050	3105	3910

	Halvad	2980	2960	3095	3800
	Junagadh	3135	3125	3250	0
	Dhrol	2860	2950	3040	3655
Rajasthan	Jodhpur	3000	2900	3025	3700
	Sumerpur	3010	3025	3040	3725

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	11th to 17th June.2016	04th to 10th June.2016	Change
Gujarat	Patan	37350	39191	-1841
	Harij	6675	7500	-825
	Rajkot	1160	1280	-120
	Gondal	847	1718	-871
	Deesa	3104	4678	-1574
	Bhabar	13089	13058	32
	Mehsana	4800	3825	975
	Kadi	9860	9760	100
	Sabarkatha	1875	2250	-375
	Gandhi Nagar	2888	3450	-562
	Ahmedabad (Sanand)	106	33	73
	Halvad	8025	17025	-9000
	Junagadh	275	475	-200
	Dhrol	27	35	-8
Rajasthan	Jodhpur	560	390	170
	Sumerpur	2240	2960	-720
Total Arrivals/Above Markets		92881	107627	-14746

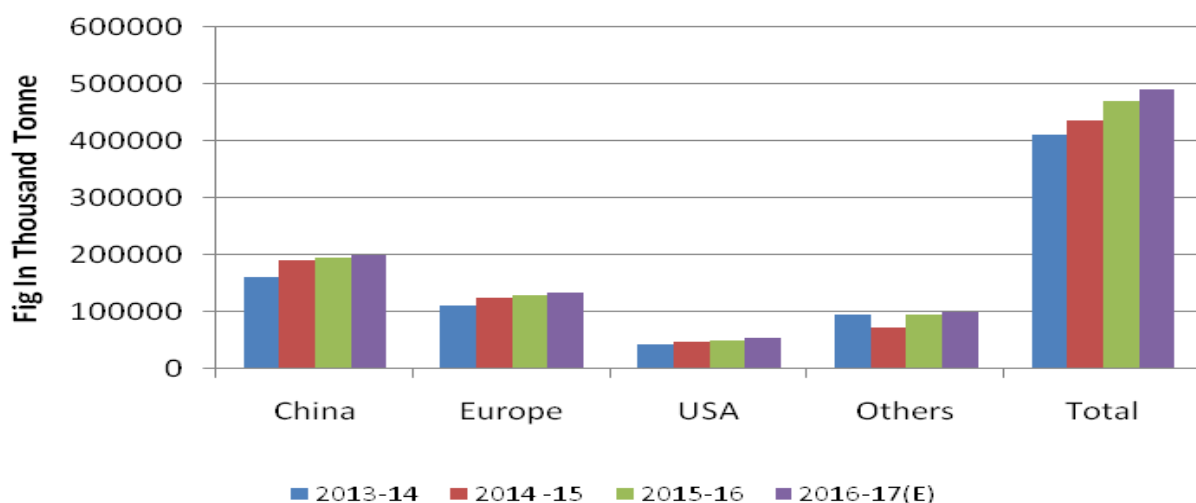
Outlook & Recommendation:

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 continues 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 a position to bargain. 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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