

Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

All India average price for castor seed decreased by 2.63 % from Rs 3074.44 to Rs 2993.32 per qtl during the week ended 02nd July-2016. It is lower by 11.28 % from the price registered in the fourth week of June, 2015. As prices are ruling lower, buyers remain active. Arrivals are comparatively 30 % lower this year due to unattractive price. Lower prevailing price of seed has discouraged farmers from releasing entire stock and they have preferred to retain 40 to 45 % crop in anticipation of price hike, generally seen in third and 4th quarter of the year.

Castor cash markets continue to trade range bound as uncertainty prevails on planting front due to uncertain rainfall status so far. Castor sowing has barely taken off this season due to slow monsoon. Given the low prices in the past season farmers are waiting for rainfall. If rains pick up in first half of July, farmers may shift 15 % castor area to other cash crops. In opposite case (if rains pick up in second half of the month, castor area may be same as last year despite lower prevailing price. As rains in growing regions start, Agriwatch expects a fall in acreage of up to 15 %.

Farmers may shift castor area to moong, moth, turmeric, cotton, chilly, peanuts and Urad as prices of these commodities rule considerably higher this year. Govt. has fixed MSP for Pulses and it would buy it to make a buffer stock. So farmers are sure to get MSP for these crops. There is a common gossip in the market that area in Gujarat may decline by 30 percent while it may increase by 4/5 % in Rajasthan. It will decrease in Telangana /AP by 4 % this year as farmers intend to grow pulses, cotton and turmeric due to attractive price.

Export demand for oil continues and 75 to 80 % old accumulated stock is said to be consumed so far. However, farmers have retained 40 to 45 % crop from new crop. Arrivals have declined by 25 percent and supply at current level is bound to contract. It would push seed price up in coming months from current level. However, clear picture would emerge by the end of this month, by then rainfall status too would be clear.

Castor oil export increases by 2.16 % to 12545.18 tonne during the week ended 26th June, 2016. Price realization too has increased by 3.41 % from previous week to \$1146.68. India had exported 12280 tonne oil previous week. As prices of seed are ruling lower, export volume is expected to remain at higher level next week too. Cash market is expected to firm up due to lower arrivals.

Stock of castor seed in Deesa market could be around 3.6 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.

.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 to slightly weak in the first week of July as rains in next two weeks in growing region would decide price trend.

Call:

Futures contracts have been suspended on 27th Jan-2016

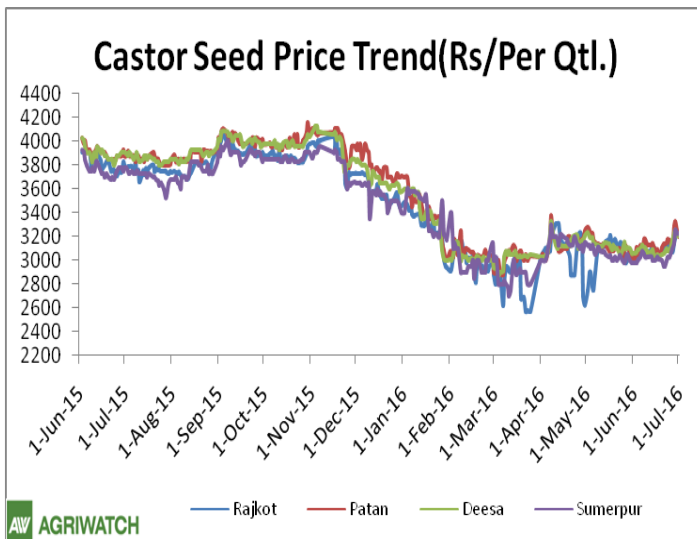
Stake holders in cash market may opt for buying seed around Rs 2900 to Rs3000 for stock purpose.

Castor Seed Price Chart:

Price Trend:

Cash markets traded slightly up last week due to weak arrival and fresh buying interest by plants. Fear of lower area coverage has backed up prevailing inner tone. Market may trade steady to slightly weak during first week of July.

Seed market is expected to hover in range of Rs 2900 to Rs 3050 per qtl. Rajkot market average price for the week comes to Rs 3068.5 per qtl. For Patan It is Rs 3125 per qtl. Average price in Deesa comes to Rs 3063.06 per qtl. Prices of seed are likely to trade range bound as buyers interest is expected at lower level. Seed price may move up by Rs 50 per qtl. from current level.

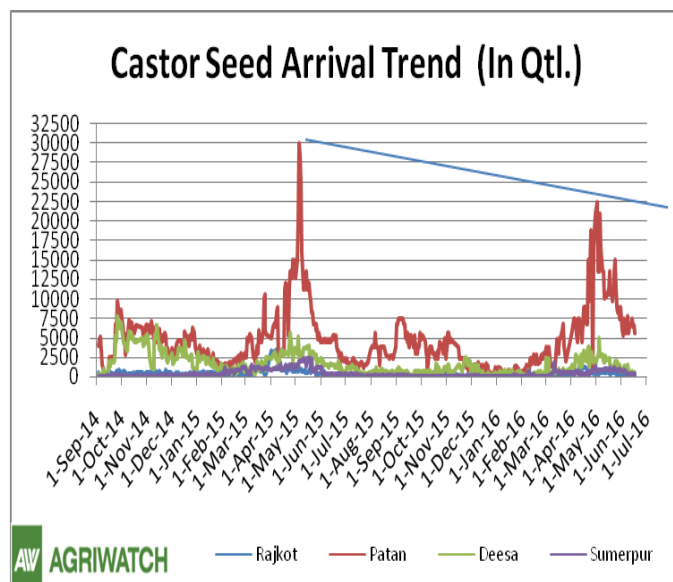


Castor Seed Arrival Chart:

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 decreased in Sumerpur from 600 qtl to 250 qtl per day. Stockiest remain active in anticipation of higher price in second half of the year.

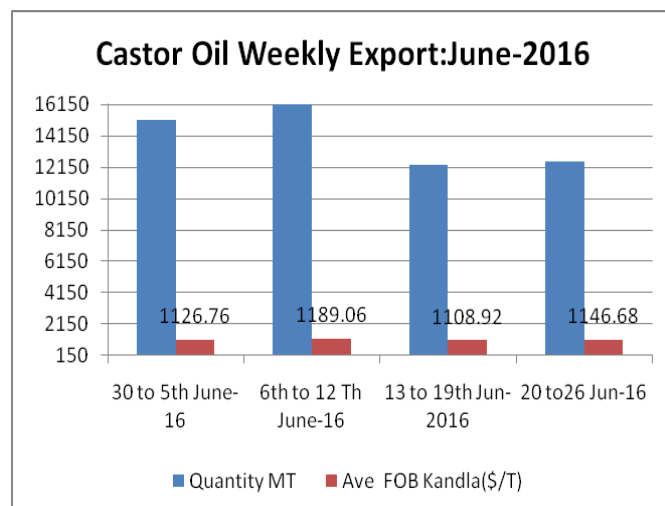


Castor Oil Export Trend:-

Castor oil export increased slightly to 12545.18 tonne last week, higher by 2.16 % from previous week. India had exported 12280 tonne oil previous week.

However, average price realization increased to \$1146.68 per tonne, up by 3.41 % from previous week.

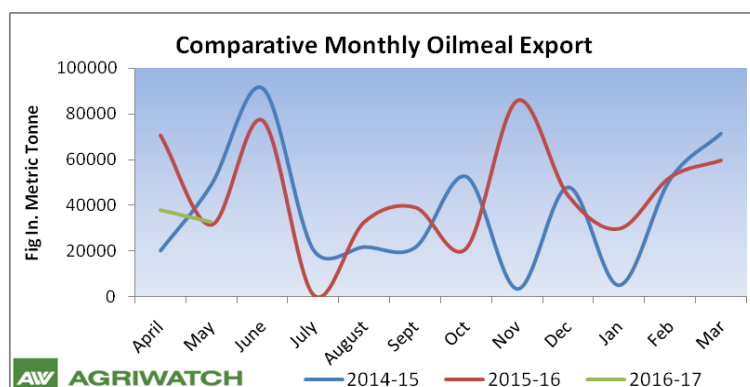
Castor oil export would continue to increase as prices are lower than normal expectation and availability is higher. Farmers /Stockiest may hold seed until planting status gets clearly visible. FoB quote is likely to stay steady.



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.



State Wise Weekly Price Trend:

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

State	Prices 24-30 Jun 2016	Prices 16-23 Jun 2016	Prices 09-15 Jun 2016	Prices 24-30 Jun 2015	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3157.77	3191.69	3134.42	3668.81	-1.06	0.74	-13.93
Gujarat	3124.34	3020.65	3011.19	3843.15	3.43	3.76	-18.7
Karnataka			3200	1720	—	—	—
Madhya Pradesh	2600		2400	2970	—	8.33	-12.46
Maharashtra	2620	2925	3063	3350	-10.43	-14.46	-21.79
Rajasthan	2943.94	2878.09	2883.98	3641.7	2.29	2.08	-19.16
Tamil Nadu	3351.34	3310.46	3360.11	4093.95	1.23	-0.26	-18.14
Telangana	3155.85	3120.75	3094.95	3704.46	1.12	1.97	-14.81
Average	2993.32	3074.44	3018.46	3374.01			

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	12280
4th Week	9657	16542.23	14329.86	12545.18
Total	40533	34908.05	45948.22	56524.03

Cash Market Price Outlook For Deesa Spot

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	2950-3000	3000-3050
Medium Term (30 days)	3050-3075	3075-3100

Comparative Prices Of Castor Products Including Seed

	30th June '16	23th June '16	23th May '16	30th June '15	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	32000	31250	31700	39870	-24.59
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	68	72	72	112	-64.71
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	4700	4800	4850	7184	-52.85
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	980	960	975	1279	-30.51
Local rates for oil in domestic market(Rs./M.T.) for comm.	68000	66800	68500	83012	-22.08

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		25 th June to 01 st July.2016	18 th to 24 th June.2016	
Gujarat	Patan	3226	3123	103
	Harij	3194	3113	82
	Rajkot	3163	3091	72
	Gondal	3281	3159	122
	Deesa	3190	3066	124
	Bhabar	3193	3081	112
	Mehsana	3184	3068	116
	Kadi	3243	3122	121
	Sabarkatha	3189	3070	119
	Gandhi Nagar	3231	3104	127
	Ahmedabad (Sanand)	3098	3046	52
	Halvad	3139	2978	161
	Junagadh	3210	3083	128
	Dhrol	2961	2795	166
Rajasthan	Jodhpur	2959	2908	51
	Sumerpur	3163	2989	173

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		1-Jul-16	24-Jun-16	1-Jun-16	1-Jul-15
Gujarat	Patan	3200	3175	3025	3875
	Harij	3250	3160	3050	3900

	Rajkot	3205	3140	3045	3800
	Gondal	3330	3205	3105	3830
	Deesa	3215	3080	3055	3925
	Bhabar	3215	3110	3025	3900
	Mehsana	3225	3090	3035	3900
	Kadi	3275	3130	3080	3925
	Sabarkatha	3250	3100	3075	3925
	Gandhi Nagar	3275	3125	3060	3925
	Ahmedabad (Sanand)	3150	3055	3000	3825
	Halvad	3245	3015	3035	3850
	Junagadh	3250	3150	2950	3850
	Dhrol	2800	2935	2930	3705
Rajasthan	Jodhpur	3000	2880	2875	3700
	Sumerpur	3225	3025	2980	3775

Castor Seed Cumulative Arrivals in Key Centers:

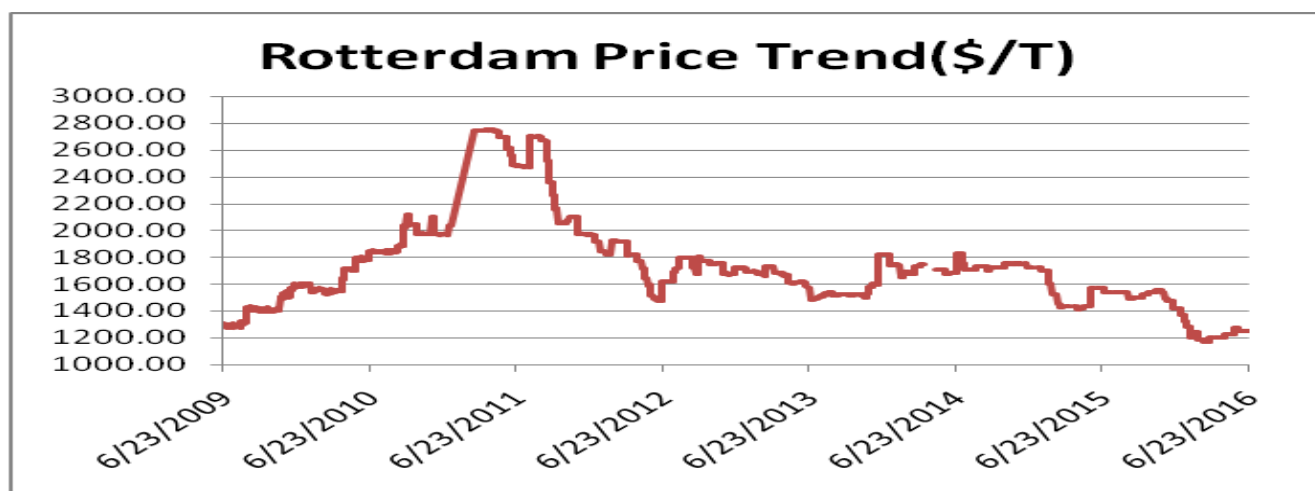
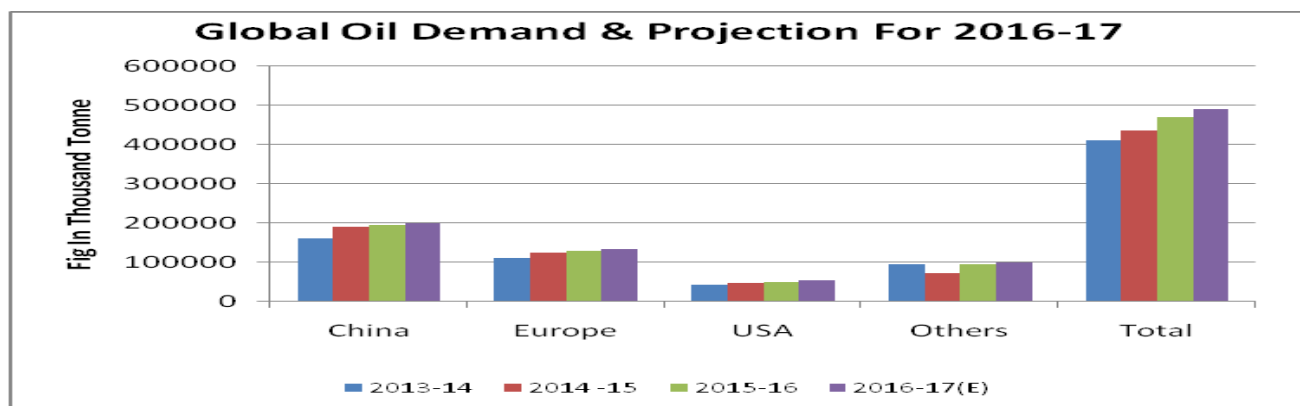
Center	Market	25 th June to 01 st July.2016	18 th to 24 th June.2016	Change
Gujarat	Patan	25828	31569	-5741
	Harij	5700	5925	-225
	Rajkot	615	1095	-480
	Gondal	2655	1767	888
	Deesa	4353	5182	-830
	Bhabar	14893	13874	1019
	Mehsana	3750	4425	-675
	Kadi	13760	14244	-484
	Sabarkatha	1013	1500	-488
	Gandhi Nagar	1838	1763	75
	Ahmedabad (Sanand)	122	62	61
	Halvad	2175	3375	-1200
	Junagadh	320	264	56
	Dhrol	25	21	4
Rajasthan	Jodhpur	368	465	-98
	Sumerpur	2080	1520	560
Total Arrivals/Above Markets		79493	87051	-7558

Outlook & Recommendation:

Castor seed market is expected to trade steady to slightly weak in the short term. Firmness is expected in second half of the year. Availability for crushing is lower as farmers have retained stock. Fear of lower acreage may lend support to cash market fundamentals.

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.



Castor oil Rotterdam Price continues to increase from May-2016 to 2nd June-2016. It improved slightly during last two weeks from \$1248 to \$1249.60 per T. It is likely to trade up in month of July.

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 July remains firm.

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