

Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

All India average price for castor seed increased by 1.74 % from Rs 3028.97 to Rs 3081.95 per qtl during the week ended 16th July-2016. It is lower by 7.13 % from the price registered in the second week of July, 2015. As prices are ruling lower, buyers remain active. Arrivals are comparatively 35 % 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 around 40 % crop in anticipation of price hike, generally seen in third and 4th quarter of the year.

India exported 7078.99 tonne castor oil during week ended 10th, July-2016, lower by 17.54 % from previous week. However, average price realization increased by 3.21 % to \$1177.06 per tonne. It had exported 8584.37 tonne oil at an average price of \$ 1140.48 per tonne in the beginning of July. Export volume is unlikely to increase as most buyers have covered their two-three months need and they are in no hurry to buy aggressively in rising market price. So Agriwatch expects steady export in coming weeks.

As on 15th July, total coverage under castor seed was reported only 40,000 ha against last year's coverage of 74,000 ha. In second week of July. Normal area coverage is 85,000 ha. for the same period Lower coverage and farmers sowing intention show the possibility of 25 % lower coverage in Gujarat.

Castor cash markets continue to trade firm as uncertainty prevails on planting front due to crop shifting from castor to pulses, cotton, turmeric and oilseeds. Castor sowing has barely taken off this season due to slow monsoon. As on 015.07.2016 total 40,000 ha area under castor has been covered against 73,000 ha last year till second week of July -2015. 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 20/25 %. this year.

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. It will decrease in Telangana /AP by 4/5 % this year as farmers intend to grow pulses, cotton and turmeric due to attractive price.

Stock of castor seed in Deesa market could be around 3.75 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. In Sumerpur region of Rajasthan stock is said to be around 2.25 lakh bag, slightly lower than last year at this point of time.

Progressive Area Coverage: -

Till last week only 40,000 ha has been covered against 73,000 ha last year. Normal area coverage at this point of time is 85,000 ha. With good rainfall and higher pulses price under castor may decrease by over 25 %. 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.

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 firm in the short to medium term. Agriwatch expects market to stay steady to slightly firm in the third 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

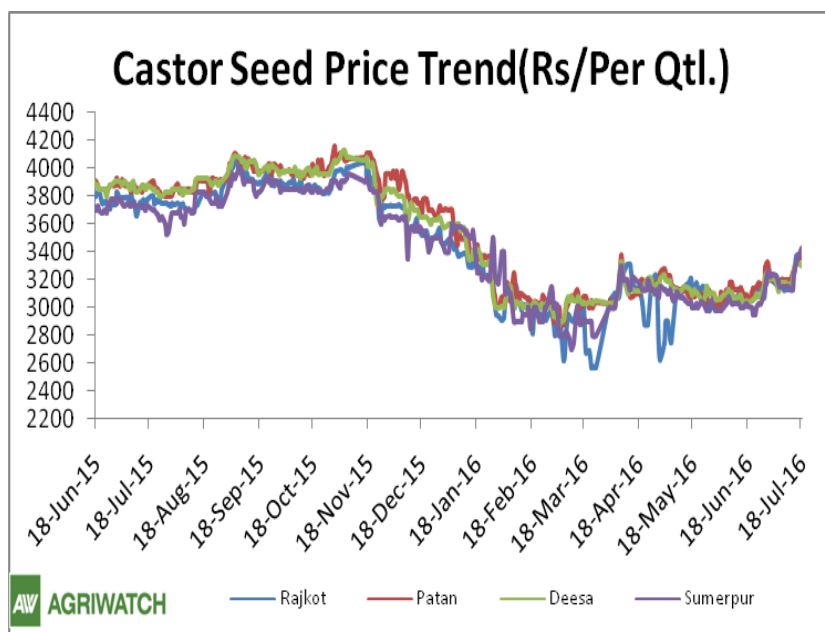
Stake holders in cash market may opt for buying seed around Rs 2975 to Rs 3150 for stock purpose.

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 firm during third week of July.

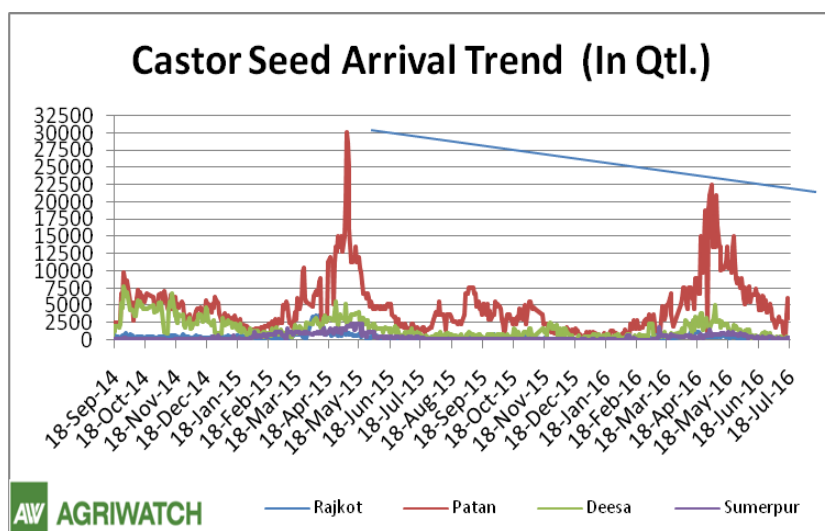
Seed market is expected to hover in range of Rs 3000 to Rs 3150 per qtl. Rajkot market average price for the week comes to Rs 3133.71 per qtl. For Patan It is Rs 3155 per qtl. Average price in Deesa comes to Rs 3083.06 per qtl. Prices of seed are likely to trade range bound as buyers interest is expected at lower level. Seed price may move up by Rs 50 per qtl. more from current level. .



Castor Seed Arrival Chart:

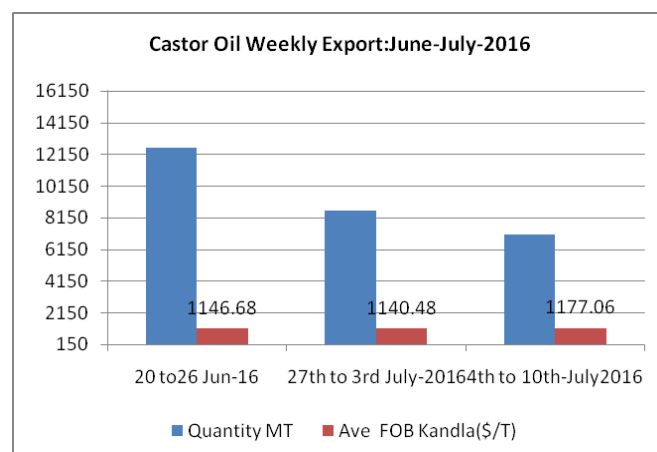
Arrivals of seed have started decreasing in all major markets due to prevailing lower price. Fresh buying spree may support price at lower level and it may encourage farmers to release stock to manage their money for their various activities including kharif field preparation.

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.



Castor Oil Export Trend:-

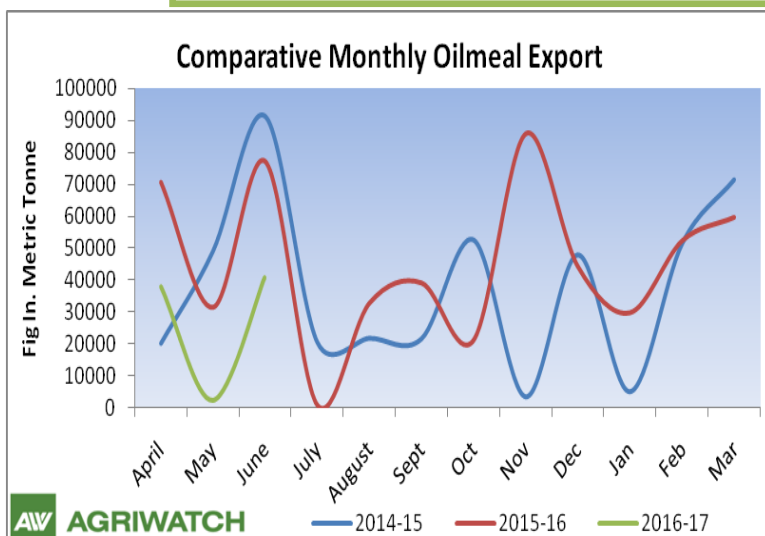
Castor oil export decreased slightly by 17.54 to 8778.99 tonne week on week basis. India had exported 8584.37 tonne oil previous week. Average price realization increased to \$1177.06 per tonne, up by 3.21 % from previous week. Castor oil export would continue to increase as prices are lower than normal 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 40591 tonne castor meal in June, 2016. It is higher than volume exported in May-2016 by 37812 tonne. As seed price is ruling lower, export volume is expected to stay steady in July-2016 too.

FOB quotes for meal too has decreased slightly this week from \$74 to \$73 per tonne. France bought 3808.9 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 Second week July, 2016							
State	Prices 09-15 Jul 2016	Prices 01-08 Jul 2016	Prices 24-30 Jun 2016	Prices 09-15 Jul 2015	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3277.34	3253.66	3157.77	3704.08	0.73	3.79	-11.52
Chattisgarh			3000		—	—	—
Gujarat	3177.23	3133.71	3124.77	3818.39	1.39	1.68	-16.79
Karnataka	2877.78			1300	—	—	121.37
Madhya Pradesh		2131.3	2600		—	—	—
Maharashtra		3200	2846.67	3523	—	—	—
Rajasthan	3053.34	3094.61	3007.78	3598.69	-1.33	1.51	-15.15
Tamil Nadu		3221.53	3351.34	3565.31	—	—	—
Telangana	3024.07	3168	3155.85	3722.16	-4.54	-4.18	-18.75
Average	3081.95	3028.97	3030.52	3318.8			

Source :Agmark.net

Castor Oil Export Fig In Tonne	2016-May	2016-June	2016-July	% Ch over Last Month
1st Week	9628.55	15157.48	8584.37	-43.37
2nd Week	9992.98	16541.37	7078.99	-57.20
3rd Week	11996.83	12280		
4th Week	14329.86	12545.18		
Total	45948.22	56524.03		

Cash Market Price Outlook For Deesa Spot

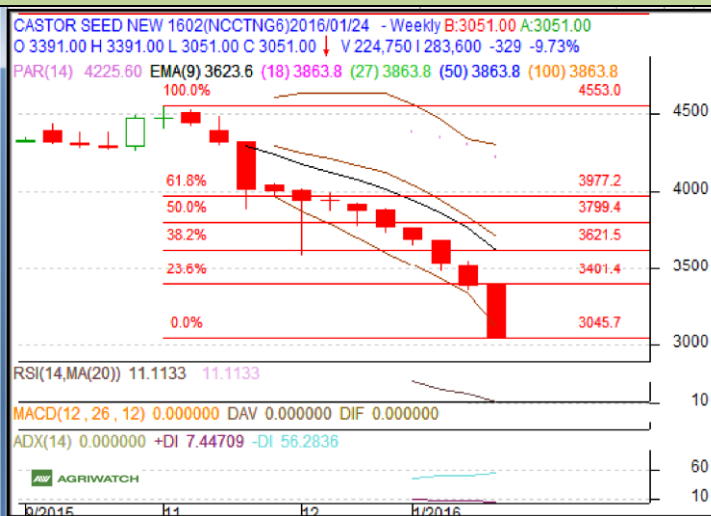
Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	2975-3050	3050-3075
Medium Term (30 days)	3075-3100	3100-3150

Comparative Prices Of Castor Products Including Seed					
	15 th July '16	8 th July '16	15 th June '16	July '15	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	33550	32200	31250	39358	-14.76
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	68	68	72	114	-40.35
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	4500	4500	4800	7223	-37.70
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1050	1010	960	1258	-16.53
Local rates for oil in domestic market(Rs./M.T.) for comm.	71500	69500	66500	81981	-12.12

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 July,2016:

Progressive sowing-2016

Progressive Castor Seed Area In Lakh Ha.Till 23rd July ,2016			
	2016	2015	% ch
Andhra Pradesh	0.03	0.02	50.00
Telangana	0.03	0	#DIV/0!
Arunachal Pradesh	-	-	#VALUE!
Assam	-	-	#VALUE!
Bihar		-	#VALUE!
Chhattisgarh	-	-	#VALUE!
Gujarat			#DIV/0!
Haryana			#DIV/0!
Himachal Pradesh			#DIV/0!
Jammu & Kashmir			#DIV/0!
Jharkhand			#DIV/0!
Karnataka	0.04	0.02	100.00
Kerala			#DIV/0!
Madhya Pradesh			#DIV/0!
Maharashtra			#DIV/0!
Odisha			#DIV/0!
Punjab			#DIV/0!
Rajasthan		0.01	-100.00
Tamil Nadu			#DIV/0!
Uttar Pradesh			#DIV/0!
Uttarakhand			#DIV/0!
West Bengal			#DIV/0!
Others			#DIV/0!
Total – All India	0.1	0.05	100.00

Till 15th July India has covered 40,000 ha against 74,000 ha last year. Normal area till date is 85,000 ha. State wise update is awaited.

Castor Seed Weekly Prices at Key Spot Markets:

Commodity	Market	Price (Rs/ Quintal)		Change
Center		09th July to 15th July 2016	02nd July to 08th July 2016	
Gujarat	Patan	3238	3193	45
	Harij	3238	3186	52
	Rajkot	3209	3164	45
	Gondal	3206	3249	-43
	Deesa	3218	3172	46
	Bhabar	3175	3185	-10
	Mehsana	3216	3173	43

	Kadi	3277	3256	21
	Sabarkatha	3229	3213	17
	Gandhi Nagar	3254	3220	34
	Ahmedabad (Sanand)	3170	3130	40
	Halvad	3182	3219	-37
	Junagadh	3204	3210	-6
	Dhrol	3035	3063	-28
Rajasthan	Jodhpur	3025	2988	37
	Sumerpur	3187	3182	5

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		15-Jul-16	8-Jul-16	15-Jun-16	15-Jul-15
Gujarat	Patan	3325	3200	3050	3875
	Harij	3325	3175	3025	3875
	Rajkot	3365	3125	3095	3770
	Gondal	3235	3180	3150	3780
	Deesa	3305	3175	3020	3875
	Bhabar	NR	3170	3030	3860
	Mehsana	3275	3170	3025	3875
	Kadi	3325	3235	3070	3950
	Sabarkatha	3300	3175	3050	3875
	Gandhi Nagar	3350	3225	3050	3875
	Ahmedabad (Sanand)	NA	3140	3010	3865
	Halvad	3175	3230	3010	3800
	Junagadh	NA	3220	3060	3800
	Dhrol	NA	3040	2855	NA
Rajasthan	Jodhpur	3150	3000	2925	3850
	Sumerpur	3320	3150	3010	3725

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	09th July to 15th July 2016	02nd July to 08th July 2016	Change
Gujarat	Patan	11475	13125	-1650
	Harij	1088	3150	-2063
	Rajkot	832	527	305

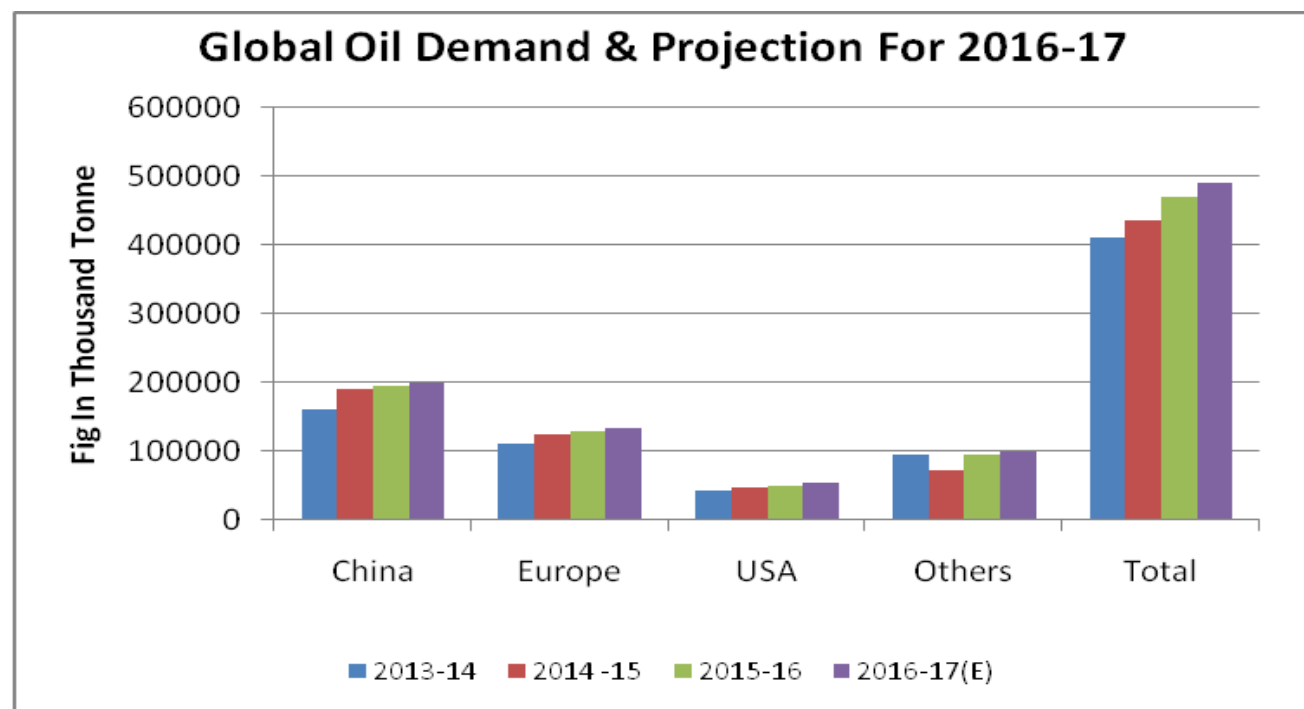
	Gondal	892	596	296
	Deesa	1510	1539	-29
	Bhabar	1388	6278	-4891
	Mehsana	2775	3113	-338
	Kadi	8720	10192	-1472
	Sabarkatha	578	300	278
	Gandhi Nagar	900	1050	-150
	Ahmedabad (Sanand)	3	44	-41
	Halvad	1313	900	413
	Junagadh	110	100	10
	Dhrol	8	27	-20
Rajasthan	Jodhpur	444	244	200
	Sumerpur	920	1200	-280
Total Arrivals/Above Markets		32954	42385	-9430

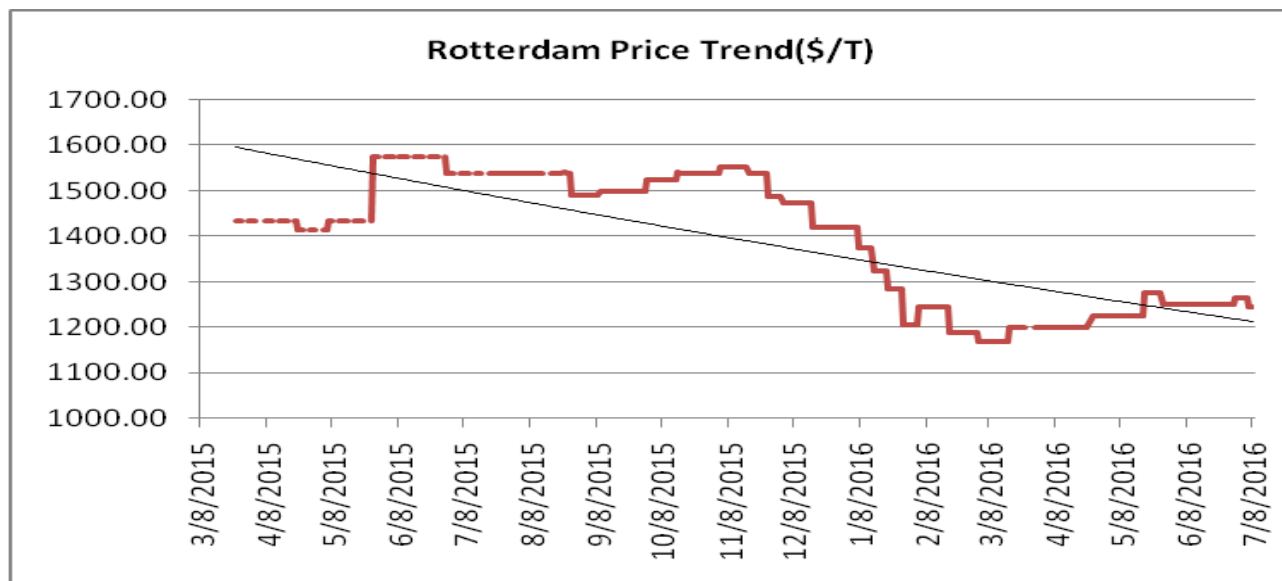
Outlook & Recommendation:

Castor seed market is expected to trade steady to slightly firm in the short term. Firmness is expected in second half of the year. Availability is 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 decrease from Aug-2015 to March 2016. However, It improved slightly during last two weeks to \$1244 per tonne. It is likely to trade up in month of July despite downward correction as price in India is bound to go up.

Outlook:

Demand from global market is likely to remain stable slightly weak in the short term 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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