

Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

All India average price for castor seed increased by 6.18 % from Rs 2997.1 to Rs 3182.49 per qtl during the week ended 23rd July-2016. It is lower by 14.50 % from the price registered in the third week of July, 2015. As prices are still ruling lower, buyers remain active. Arrivals are comparatively 40 % 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 to 45 % crop in anticipation of price hike, generally seen in third and 4th quarter of the year.

India exported 13926.36 tonne castor oil during week ended 17th, July-2016, up by 96.73 % from previous week. However, average price realization decreased by 2.60 % to \$1146.44 per tonne. It had exported 7078.99 tonne oil at an average price of \$ 1177.06 per tonne in second week of July. Export volume is likely to remain stable as mostly bulk buyers are active anticipating lower crop size this year.

As on 22nd July, total coverage under castor seed was reported only 57,000 ha against last year's coverage of 1.1 lakh ha. till third week of July. Normal area coverage is 1.13 ha. for the same period. Lower coverage and farmers' sowing intention show the possibility of 30 % lower coverage in Gujarat, 10 % in Rajasthan and 5% in Andhra Pradesh including Telangana.

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 22.07.2016 total 57,000 ha area under castor has been covered. It is lower by 49.55 % from last year till date. Rains in Gujarat and Rajasthan have encouraged farmers to shift castor area either to other crops or leave it unplanted for Rabi crops. Castor crop takes at least six months while other crops get ready for harvesting in four months. So, Agriwatch expects castor area to decrease to 9 lakh ha. 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 5/8 % 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 3.80 lakh bags at present, almost same as compared to last year. In Sumerpur region of Rajasthan stock is said to be around 2.50 lakh bags, slightly lower than last year at this point of time.

Progressive Area Coverage: -

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.

Mostly old stock (around 80 percent) has been consumed and pressure of huge accumulated stock has eased now. Lower area and likely lower production may pull seed price up in coming months. Arrivals too have declined sharply and all these developments hint towards uptrend.

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 fourth week of July. Rains have occurred in growing region this week and likely to continue in coming weeks too.

Call:

Futures contracts have been suspended on 27th Jan-2016

Stake holders in cash market may opt for buying seed around Rs 3250 to Rs 3325 for stock purpose.

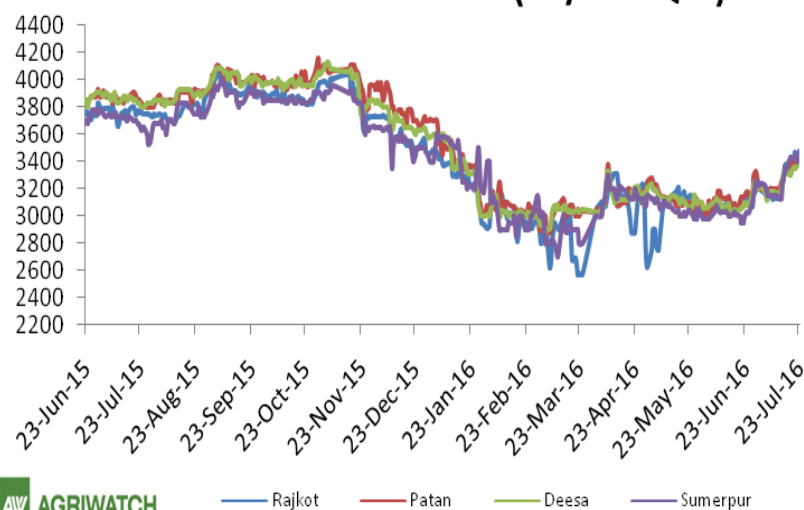
Castor Seed Price Chart:

Price Trend:

Cash markets continue to trade 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 fourth week of July.

Seed market is expected to hover in range of Rs 3250 to Rs 3350 per qtl. Rajkot market average price for the week comes to Rs 3375.71 per qtl. For Patan It is Rs 3350 per qtl. Average price in Deesa comes to Rs 3195.06 per qtl. Prices of seed are likely to trade range bound to firm as buyers interest is expected at current level. Seed price may move up by Rs 100 per qtl. from current level. .

Castor Seed Price Trend(Rs/Per Qtl.)

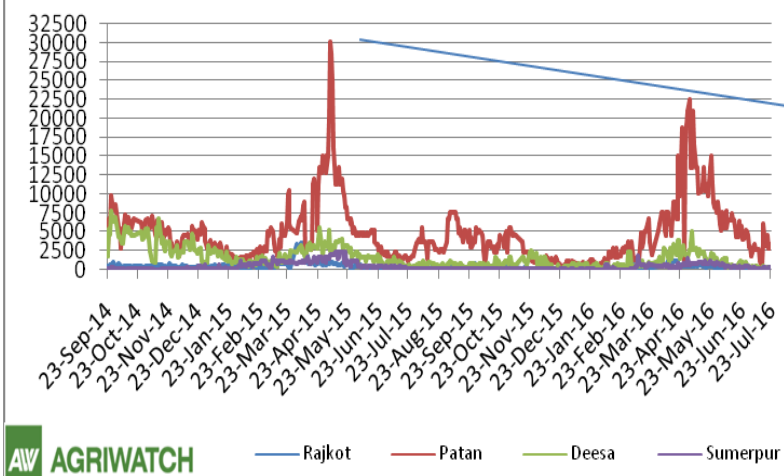


Castor Seed Arrival Chart:

Arrivals of seed continued to decrease in all major markets despite improving prices. Fresh buying spree may support price at current level. Fear of lower area coverage and production may encourage farmers and stockiest to retain stock and it would lend support to cash market fundamental.

Market participants say that arrival pace would not increase much as small farmers may prefer to retain 40 % of their stock in anticipation of higher price in third and fourth quarters.

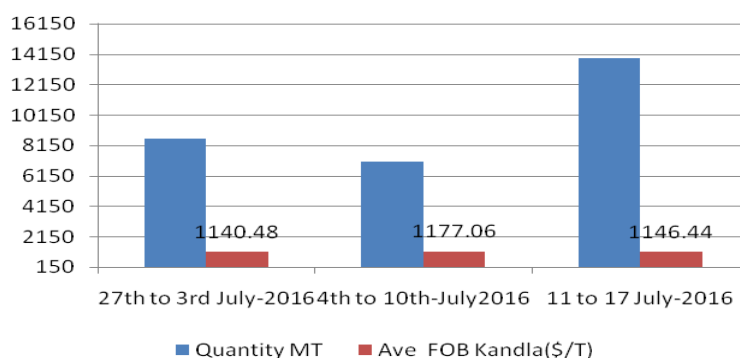
Castor Seed Arrival Trend (In Qtl.)



Castor Oil Export Trend:-

Castor oil export increased considerably by 96.73 to 13926.36 tonne week on week basis. India had exported 7078 tonne oil previous week. However, average price realization decreased by 2.6 % to \$1146.44 per tonne, Castor oil export volume may remain stable as prices started improving.

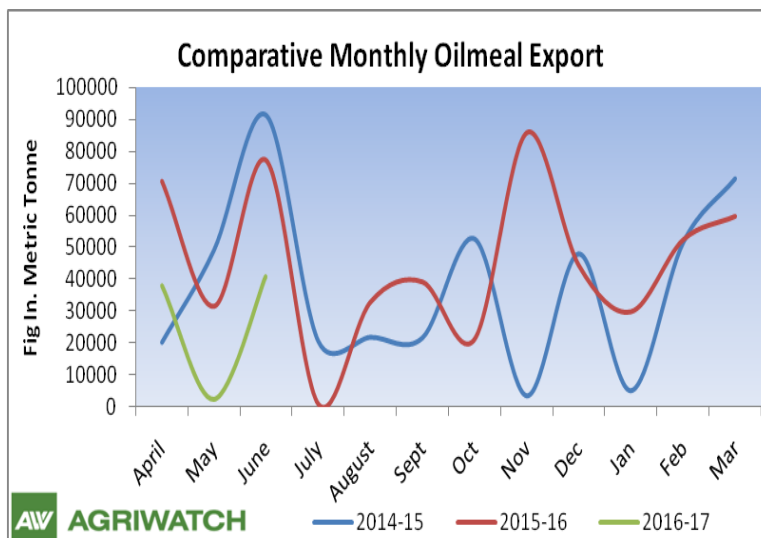
Castor Oil Weekly Export: July-2016



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 Third Week July, 2016

State	Prices 16-23 Jul 2016	Prices 09-15 Jul 2016	Prices 01-08 Jul 2016	Prices 16-23 Jul 2015	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3348.67	3277.34	3253.66	3767.27	2.18	2.92	-11.11
Gujarat	3313.73	3178.58	3133.71	3806.14	4.25	5.74	-12.94
Karnataka	3800	2877.78			32.05	—	—
Madhya Pradesh	2163.28	2505	2131.3	3197.35	-13.64	1.5	-32.34
Maharashtra			3200		—	—	—
Rajasthan	3318.98	3119.86	3094.61	3671.84	6.38	7.25	-9.61
Tamil Nadu	3119		3221.53	3717.45	—	-3.18	-16.1
Telangana	3213.78	3024.07	3168	4175.6	6.27	1.45	-23.03
Average	3182.49	2997.1	3028.97	3722.61			

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	13926.36	13.41
4th Week	14329.86	12545.18		
Total	45948.22	56524.03		

Cash Market Price Outlook For Deesa Spot

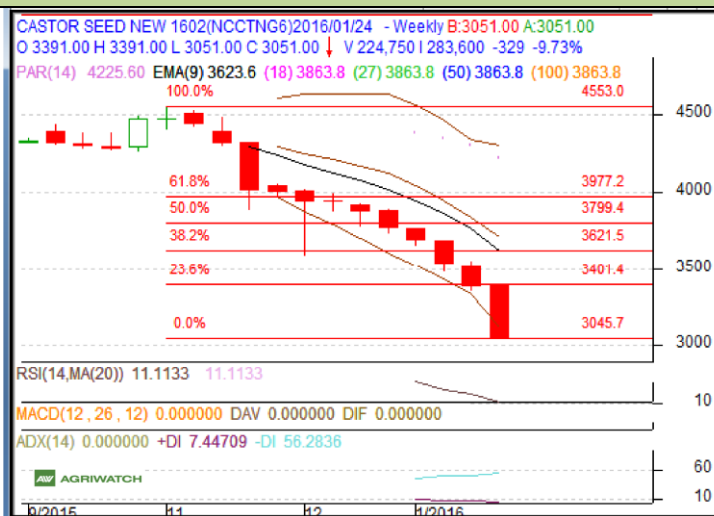
Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	3275-3300	3300-3325
Medium Term (30 days)	3325-3350	3350-3375

Comparative Prices Of Castor Products Including Seed					
	22 nd July '16	15 th July '16	22 nd June '16	July '15	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	34450	33550	31850	39358	-12.47
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	67	68	68	114	-41.23
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	4400	4500	4700	7223	-39.08
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1075	1050	980	1258	-14.55
Local rates for oil in domestic market(Rs./M.T.) for comm.	73000	71500	67500	81981	-10.95

Source: SEA,Agriwatch

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 22nd July India has covered 57,000 ha against 1.1 lakh ha last year. Normal area till date is 1.13 lakh ha. State wise update is awaited. Normal area under castor is 11.48 lakh ha.

Castor Seed Weekly Prices at Key Spot Markets:

Commodity	Market	Price (Rs/ Quintal)		Change
Center		16th to 22th July 2016	09th to 15th July 2016	
Gujarat	Patan	3378	3238	141
	Harij	3378	3238	140
	Rajkot	3401	3209	192
	Gondal	3435	3206	229
	Deesa	3338	3218	120
	Bhabar	3353	3175	178
	Mehsana	3329	3216	113

	Kadi	3377	3277	100
	Sabarkatha	3370	3229	141
	Gandhi Nagar	3365	3254	111
	Ahmedabad (Sanand)	3308	3170	138
	Halvad	3244	3182	62
	Junagadh	3298	3204	94
	Dhrol	3161	3035	126
Rajasthan	Jodhpur	3140	3025	115
	Sumerpur	3408	3187	222

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		22-Jul-16	15-Jul-16	22-Jun-16	22-Jul-15
Gujarat	Patan	3390	3325	3140	3850
	Harij	3425	3325	3100	3865
	Rajkot	3410	3365	3100	3770
	Gondal	Closed	3235	3130	NA
	Deesa	3370	3305	3070	3830
	Bhabar	3380	NA	3075	3875
	Mehsana	3350	3275	3075	3850
	Kadi	3415	3325	3120	3910
	Sabarkatha	3400	3300	3080	3950
	Gandhi Nagar	3400	3350	3125	3850
	Ahmedabad (Sanand)	NA	3190	3025	3925
	Halvad	3340	3175	2960	3750
	Junagadh	3350	3200	3020	3795
	Dhrol	3165	3160	2855	3500
Rajasthan	Jodhpur	3215	3150	2845	3850
	Sumerpur	3400	3320	2950	3675

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	16th to 22th July 2016	09th to 15th July 2016	Change
Gujarat	Patan	23720	11475	12245
	Harij	2100	1088	1013
	Rajkot	1102	832	270
	Gondal	1274	892	382
	Deesa	1480	1510	-30

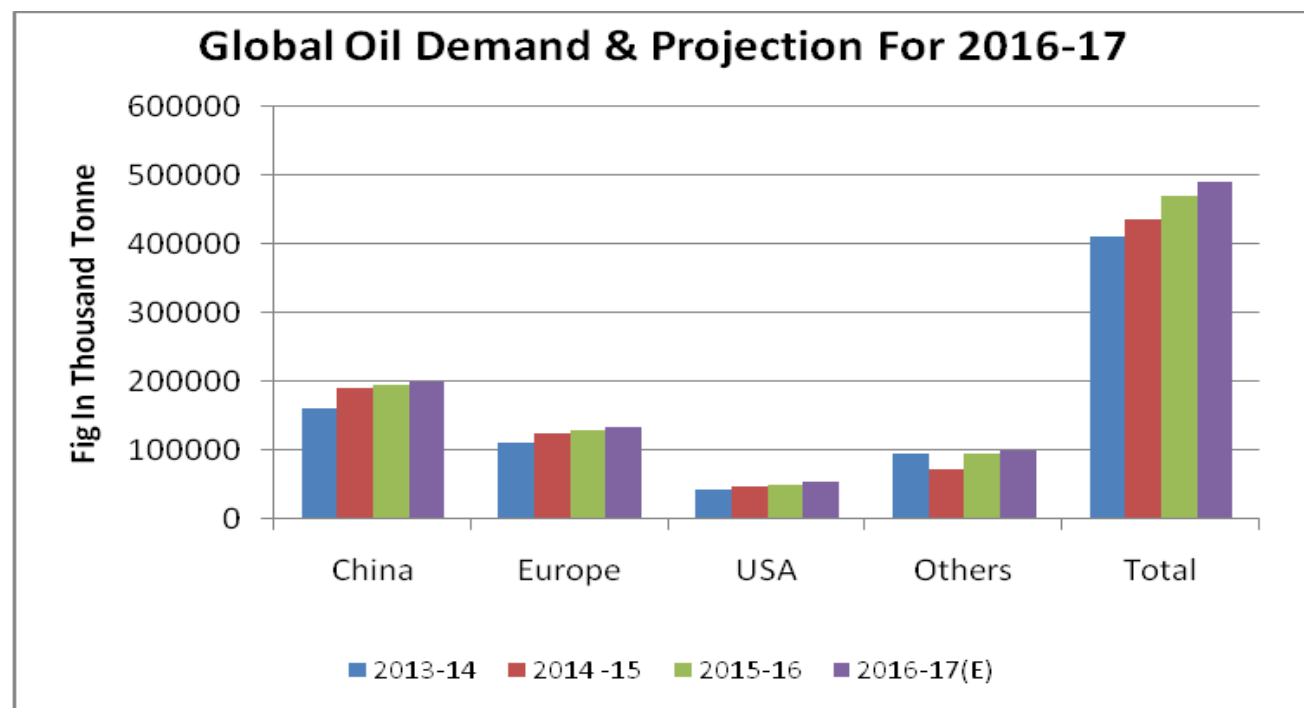
	Bhabar	6270	1388	4883
	Mehsana	2550	2775	-225
	Kadi	7300	8720	-1420
	Sabarkatha	713	578	135
	Gandhi Nagar	1088	900	188
	Ahmedabad (Sanand)	3	3	0
	Halvad	956	1313	-356
	Junagadh	545	110	435
	Dhrol	15	8	8
Rajasthan	Jodhpur	255	444	-189
	Sumerpur	1280	920	360
Total Arrivals/Above Markets		50651	32954	17696

Outlook & Recommendation:

Castor seed market is expected to trade steady to slightly firm in the short term. Firmness is likely to continue 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. Area lags behind by 49.55 % 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.





Castor oil Rotterdam Price continued to increase from \$1244 to \$1304.20 per tonne. As prices in domestic market continue to improve, Rotterdam price may move up from current level.

Outlook:

Demand from global market is likely to remain stable in the short to medium term as major buyers like China, EU and USA remain active. Major buyers are aware of lower production this year and firm sentiment. So buying would continue and it would continue to support cash market fundamentals. Overall trend remains bullish.

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