

Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

All India average price for castor seed continued to decrease by 0.03 % from Rs 3154.02 to Rs 3152.94 per qtl during the week ended 13th August-2016. It is lower by 6.18 % from the price registered in the second week of August, 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 30 % crop in anticipation of price hike, generally seen in third and 4th quarter of the year.

The latest export data is awaited as we have not received it due to continuous holidays. India exported 8185 tonne castor oil during week ended 6th August-2016, lower by 21.95 % from previous week. Average price realization increased by 5.84 % to \$1218.63 per tonne. It had exported 6711.95 tonne oil at an average price of \$ 1151.35 per tonne in the fourth week 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 bearish market trend.

As on 12th August, total coverage under castor seed was reported 2.67 lakh ha against last year's coverage of 3.37 lakh ha. in corresponding period. Till second week of August normal area coverage is 4.27 lakh ha. Lower coverage and farmers sowing intention show the possibility of 25 % lower coverage in Gujarat. Area may decline 10 to 15 percent in Rajasthan too from season's normal of 2.15 lakh ha. Overall area coverage is lagging behind by 20.77% so far.

Farmers have shifted 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 prevailing attractive price.

Stock of castor seed in Deesa market could be around 4.00 lakh bags at present, slightly lower than 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 3.00 lakh bags, slightly higher than last year at this point of time.

.Progressive Area Coverage: -

As on 12.08.2016 only 1.344 lakh ha has been covered against 1.601 lakh ha in Gujarat last year till date..Normal area coverage in Gujarat is 714,400 ha. In Rajasthan total coverage has been reported 0.07 lakh ha against .40 lakh ha previous week. State govt has set target of 2.01 lakh ha for this year. Sowing may increase by third week of August.Gujarat is lagging behind by 16.25 % in comparison to last year till date.In Telangana and Andhra Pradesh coverage under castor seed is ahead of by 8 % so far. It may pick up further from end August. Continuous rains in growing region have delayed sowing by two weeks for early maturity varieties.

Agricultural Statistics Division, Directorate of Economics & Statistics, India has published its fourth adv estimate for food grains on 2nd August-2016 and estimated 16.50 lakh tonne castor seed production for 2015-16 crop year, to be marketed in MY 2016-17. It has decreased production estimate from 17.75 to 16.50 lakh tonne in fourth Adv estimate. 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 term. Agriwatch expects market to stay steady to slightly weak in the third week of August. Higher rain fall may delay plantings and may support inner tone once again in span of time..

Call:

Futures contracts have been suspended on 27th Jan-2016

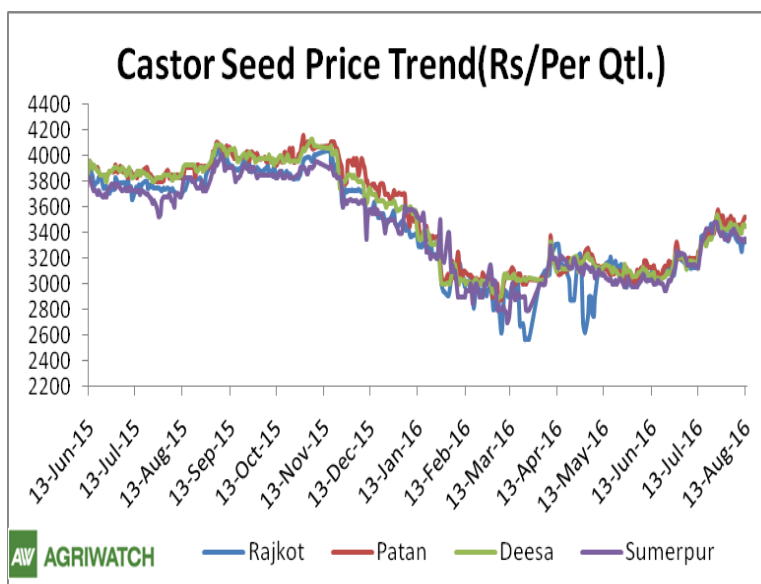
Stake holders in cash market may opt for buying seed around Rs 3250 to Rs3350 for stock purpose.

Castor Seed Price Chart:

Price Trend:

Cash markets traded mixed last week due to supply-demand factors. However, fear of lower area coverage has continued to back up prevailing inner tone. Market may trade steady to slightly weak during third week of August with higher rainfall in producing area.

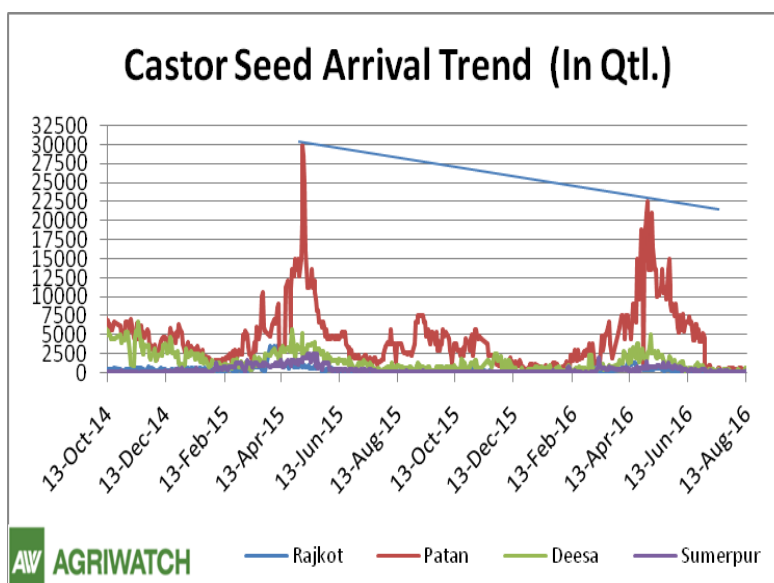
Seed market is expected to hover in range of Rs 3325 to Rs 3450 per qtl. Rajkot market average price for the week comes to Rs 3316.95 per qtl. For Patan It is Rs 3475 per qtl. Average price in Deesa comes to Rs 3432.08 per qtl. Prices of seed are likely to trade range bound as buyers interest is expected at lower level. Seed price may move down by Rs 50 per qtl. more from current level. .



Castor Seed Arrival Chart:

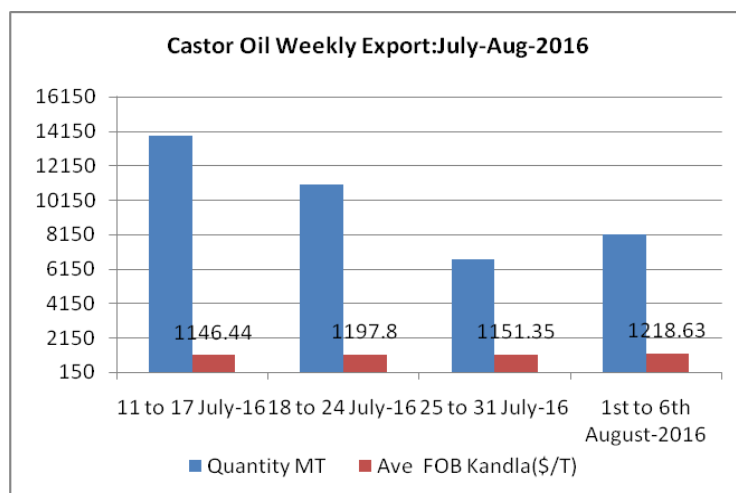
Arrivals of seed have started decreasing in all major markets due to prevailing lower price. Fresh buying spree may support price at lower level and it may encourage farmers to release stock to manage their money for their various activities including kharif planting.

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 30 % of their stock due to lower price.



Castor Oil Export Trend:-

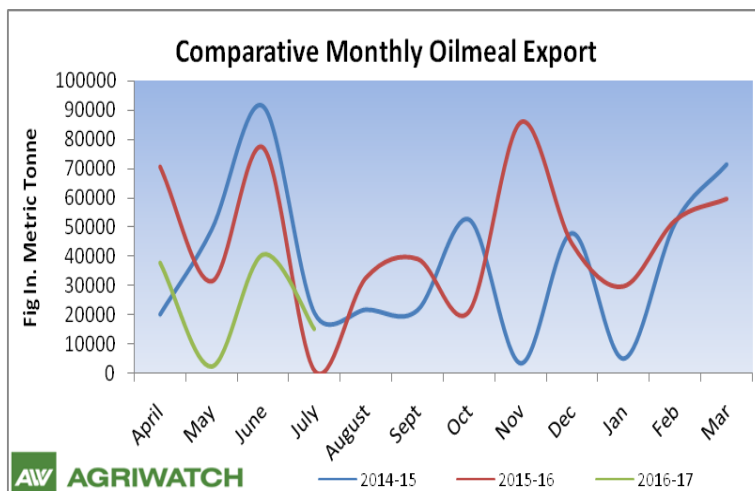
Export data is awaited. Castor oil export decreased slightly by 21.95 to 8185 tonne week on week basis. India had exported 6711.95 tonne oil previous week. Average price realization increased by 5.84 % to \$1218.63 per tonne. Castor oil export would continue to stay steady as prices are lower than normal 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 15230 tonne castor meal in July, 2016. India had exported only 887 tonne in July 2015. As seed price is ruling lower, export volume is expected to stay steady in August-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 average price of \$101.65 per tonne.



State Wise Weekly Price Trend:

State wise Wholesale Prices Weekly Analysis for Castor Seed Second week August, 2016

State	Prices 09-15 Aug 2016	Prices 01-08 Aug 2016	Prices 24-31 Jul 2016	Prices 09-15 Aug 2015	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3366.02	3410.87	3436.47	3784.84	-1.31	-2.05	-11.07
Gujarat	3386.1	3413.64	3446.54	3811.58	-0.81	-1.75	-11.16
Karnataka		3119		1369.7	—	—	—
Madhya Pradesh	2464	2462.5	2136.75		0.06	15.32	—
Maharashtra	3078				—	—	—
Rajasthan	3273.15	3296.6	3295.43	3629.58	-0.71	-0.68	-9.82
Tamil Nadu		3102.5	3259	3744.85	—	—	—
Telangana	3350.38	3273	3437.56	3824.89	2.36	-2.54	-12.41
Average	3152.94	3154.02	3168.62	3360.91			

Source :Agmark.net

Castor Oil Export Fig In Tonne	2016-May	2016-June	2016-July	2016-Aug	% CH
1st Week	9628.55	15157.48	8584.37	8185	-4.65
2nd Week	9992.98	16541.37	7078.99	Awaited	
3rd Week	11996.83	12280	13926.36		
4th Week	14329.86	12545.18	11068.04		
Total	45948.22	56524.03	40657.76	8185	

Cash Market Price Outlook For Deesa Spot

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	3325-3350	3350-3375
Medium Term (30 days)	3375-3400	3400-3450

Comparative Prices Of Castor Products Including Seed					
	12 th Aug '16	05 th Aug '16	12 th July '16	Aug '15	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	35500	35650	32700	40223	-11.74
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	67	67	68	111	-39.64
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	4500	4450	4500	7080	-36.44
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1105	1105	1020	1243	-12.10
Local rates for oil in domestic market(Rs./M.T.) for comm.	76500	76500	70000	82828	-8.85

Source:SEA. Latest data awaited

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 28th July,2016:

Progressive Sowing-2016

States	Progressive sowing Till 28th July-2016		
	2016	2015	% Ch
Andhra Pradesh	0.2	0.1	100.00
Telangana	0.38	0.35	8.57
Arunachal Pradesh	0	0	0.00
Assam	0	0	0.00
Bihar	0.1	0.1	0.00
Chhattisgarh	0	0	
Gujarat	0.18	0.22	-18.18
Haryana		0.01	-100.00
Himachal Pradesh			
Jammu & Kashmir			
Jharkhand			
Karnataka			
Kerala	0.05	0.06	-16.67
Madhya Pradesh			
Maharashtra			
Odisha	0.12	0.1	20.00
Punjab	0.04	0.04	0.00
Rajasthan			
Tamil Nadu	0.05	0.32	-84.38
Uttar Pradesh	0.01	0.1	-90.00
Uttarakhand			
West Bengal			
Others			
Total – All India	1.13	1.4	-19.29

As on 12th, August total coverage under castor seed was reported 1.34 lakh ha against last year's coverage of 1.60 ha. The latest State wise break up is awaited..

Castor Seed Weekly Prices at Key Spot Markets:

Commodity	Market	Price (Rs/ Quintal)		Change
Center		06th to 12th Aug 2016	30th July to 05th Aug 2016	
Gujarat	Patan	3484	3492	-8
	Harij	3464	3479	-15
	Rajkot	3321	3390	-69
	Gondal	3401	3468	-67
	Deesa	3440	3448	-8
	Bhabar	NR	3402	-
	Mehsana	3416	3434	-18
	Kadi	3432	3488	-56

	Sabarkatha	3431	3456	-25
	Gandhi Nagar	3442	3469	-28
	Ahmedabad (Sanand)	3405	3463	-58
	Halvad	3367	3402	-35
	Junagadh	3275	3367	-92
	Dhrol	3208	3161	46
Rajasthan	Jodhpur	3302	3278	23
	Sumerpur	3356	3379	-23

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		12-Aug-16	5-Aug-16	12-Jul-16	12-Aug-15
Gujarat	Patan	3515	3525	3200	3825
	Harij	3515	3500	3225	3840
	Rajkot	3335	3420	3170	3685
	Gondal	3405	3405	3230	3755
	Deesa	3460	3460	3160	3850
	Bhabar	NR	NR	3175	3840
	Mehsana	3415	3430	3200	3835
	Kadi	3440	3490	3260	3875
	Sabarkatha	3425	3475	3200	3875
	Gandhi Nagar	3475	3475	3225	3850
	Ahmedabad (Sanand)	3385	3470	3150	3770
	Halvad	3400	3355	3130	3800
	Junagadh	3275	3300	3210	3650
	Dhrol	3150	NR	2910	3585
Rajasthan	Jodhpur	3250	3320	3000	3650
	Sumerpur	3350	3425	3125	3675

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	06th to 12th Aug 2016	30th July to 05th Aug 2016	Change
Gujarat	Patan	11642	14819	-3178
	Harij	2550	1950	600
	Rajkot	985	524	461
	Gondal	1097	1272	-175

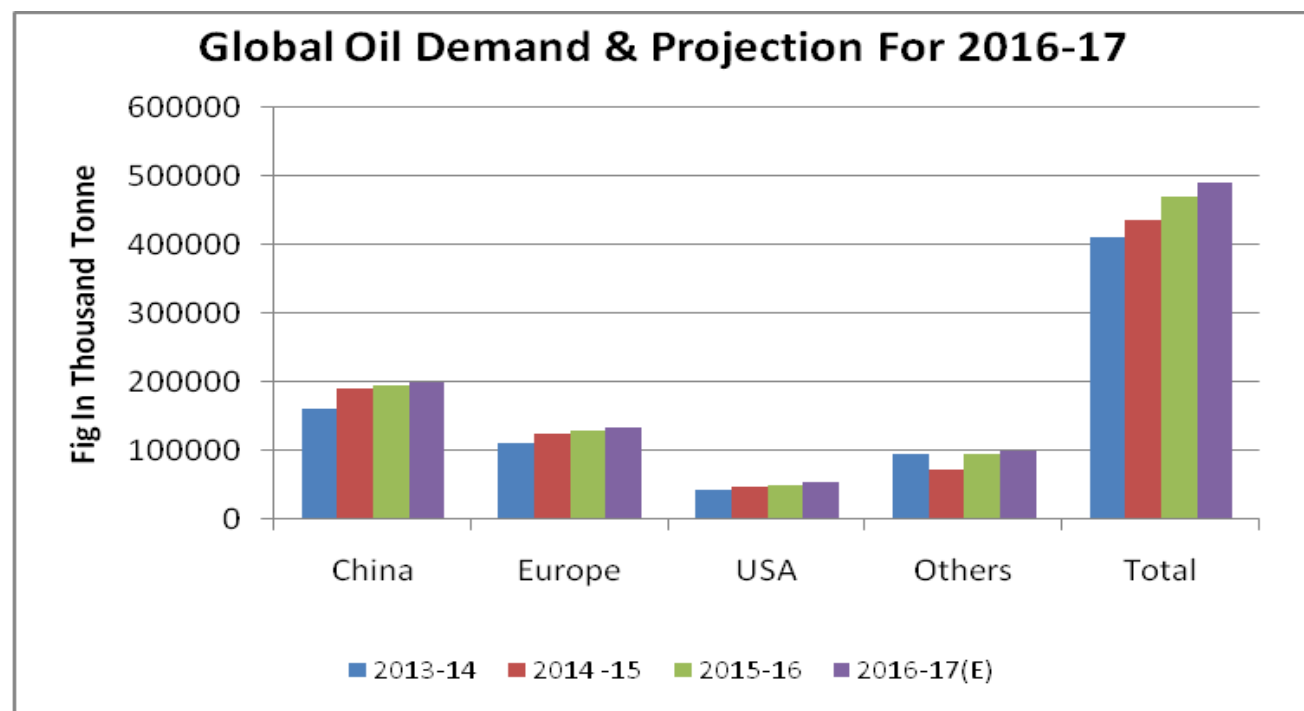
	Deesa	1446	1049	398
	Bhabar	NA	4398	-
	Mehsana	1350	2475	-1125
	Kadi	3690	6160	-2470
	Sabarkatha	480	803	-323
	Gandhi Nagar	1088	1425	-338
	Ahmedabad (Sanand)	78	34	43
	Halvad	266	563	-296
	Junagadh	120	245	-125
	Dhrol	27	25	2
Rajasthan	Jodhpur	308	263	45
	Sumerpur	640	720	-80
Total Arrivals/Above Markets		25765	36724	-10959

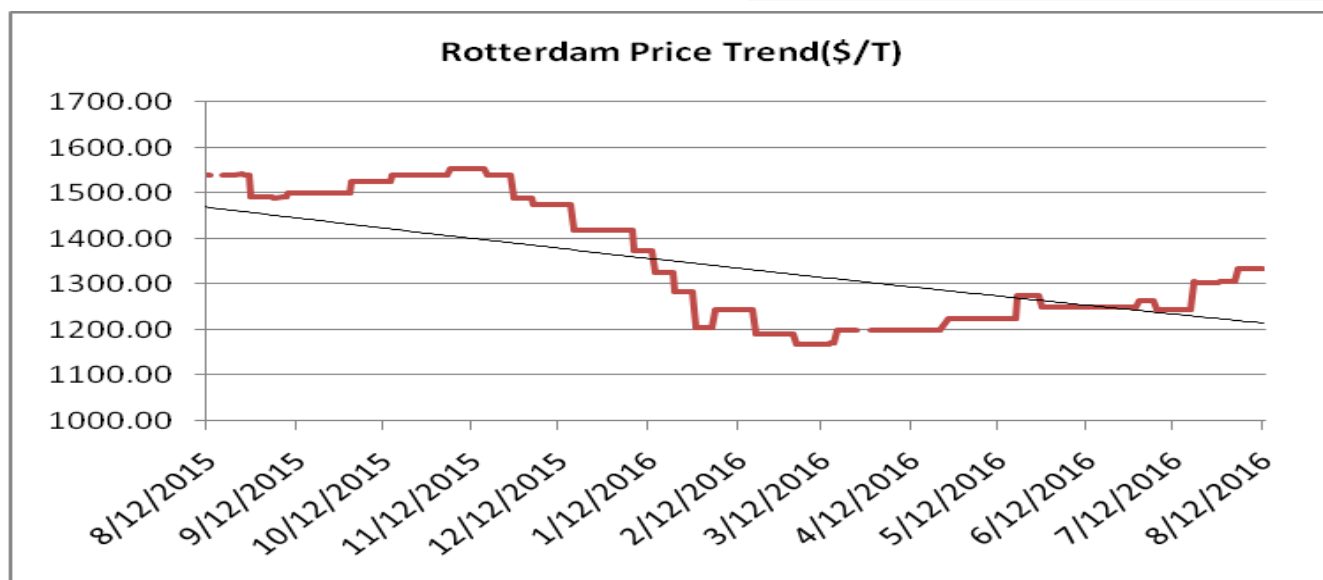
Outlook & Recommendation:

Castor seed market is expected to trade steady to slightly weak in the third week of August. However, It will continue to consolidate in span of time. Availability for crushing is lower as farmers have retained stock. Fear of lower acreage may lend support to cash market fundamentals in the medium term.

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 one month from \$1304 per tonne to \$1334 per tonne. It is likely to trade up in month of August despite downward correction as price in India is bound to go up.

Outlook:

Demand from global market is likely to remain stable to slightly weak in the short term as major buyers like China, EU and USA have covered their immediate needs for second quarter 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 in the medium term, remains firm.

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