

# Castor Weekly Research Report

## Contents

- ❖ Outlook and Review
- ❖ Castor Seed price Chart
- ❖ Export
- ❖ NCDEX Spot Price
- ❖ Outlook
- ❖ Future Chart
- ❖ Progressive Sowing
- ❖ Weekly Spot Price change
- ❖ International Market Update

Castor Domestic Market Fundamentals:

**All India average price for castor seed recovered slightly by 1.01 % from Rs 2835.09 to Rs 2806.7 per qtl during the week ended 19<sup>th</sup> August-2016.** It is lower by 16.56 % from the price registered in the third week of August, 2015. As prices are ruling lower, buyers remain active. Arrivals are comparatively 45 % lower in August due to unattractive price and retention. Lower prevailing price of seed has discouraged farmers from releasing entire stock and they have preferred to retain around 30-35 % crop in anticipation of price hike, generally seen in third and 4<sup>th</sup> quarter of the year.

**Castor seed planting is lagging behind by 15.33 % to 4.25 lakh ha as on 19.08.2016.** Indian farmers had planted 5.02 lakh ha in corresponding period last year. It is lower by 30.16 % from mid August's average planting of 6.15 lakh ha. Major decrease has been seen in Gujarat where area lags behind by around 1 lakh ha to 2.12 lakh ha. It had covered 3.03 lakh ha last year till date.

**Rajasthan too is lagging behind by 25 thousand ha to 1.01 lakh ha so far.** However, coverage area is running slightly ahead in AP and Telangana. Overall coverage area is expected to fall by 20 % this year as farmers have shifted to pulses and other lucrative crops.

**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 6<sup>th</sup> 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.

**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 19.08.2016 around 4.25 lakh ha has been covered against 5.02 lakh ha** last year till date. It is 15.33 % lower than corresponding period last year. Normal area coverage in Gujarat is 714,400 ha. and it has covered only 2.12 lakh ha. In Rajasthan total coverage has been reported 0.25 lakh ha against 1 lakh ha last year till date.. State govt has set target of 2.01 lakh ha for this year. Sowing may increase by forth week of August. Gujarat is lagging behind by 18.25 % in comparison to last year till date. In Telangana and Andhra Pradesh coverage under castor seed is ahead of by 12 and 15 % respectively 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 firm in the short to medium term. Agriwatch expects market to stay steady with firm bias likely to continue. Higher rain fall may delay plantings and may support inner tone once again in span of time..

**Call:**

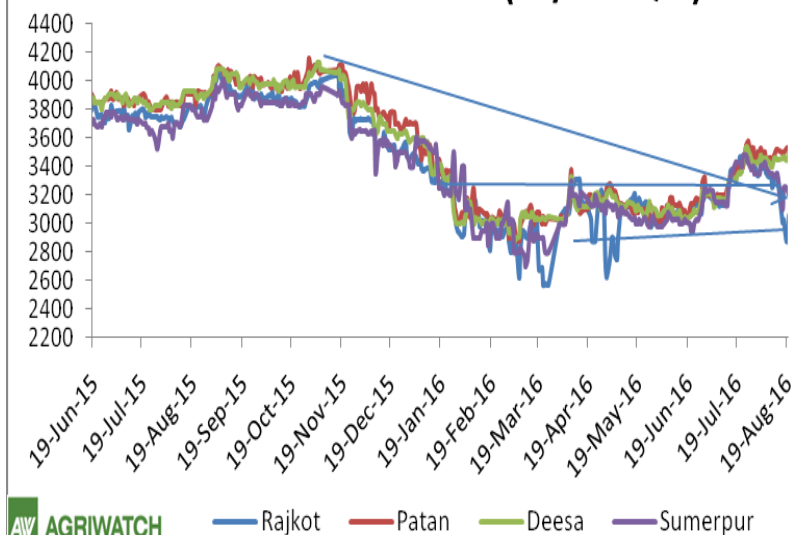
Futures contracts have been suspended on 27<sup>th</sup> Jan-2016

Stake holders in cash market may opt for buying seed around Rs 3300 to Rs 3400 for stock purpose.

**Castor Seed Price Chart:**  
**Price Trend:**

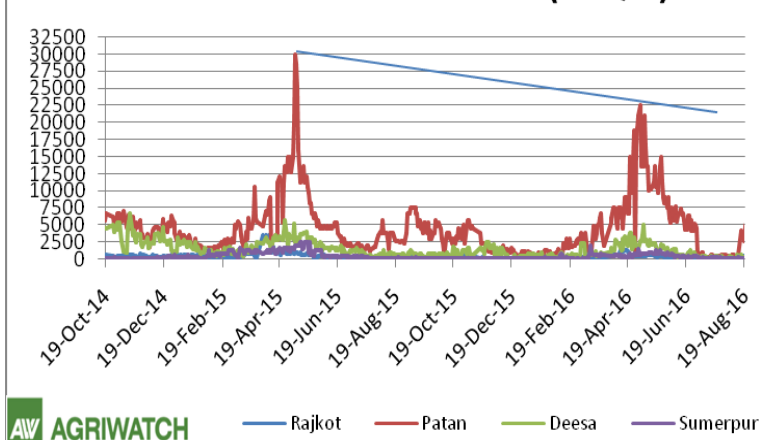
Cash markets traded mixed last week due to supply-demand factors. Major decline was seen in Sumerpur and Rajkot. However, fear of lower area coverage has continued to back up prevailing inner tone. Market may trade steady to slightly firm during forth week of August with higher rainfall in producing 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 3326.95 per qtl. For Patan It is Rs 3485 per qtl. Average price in Deesa comes to Rs 3436.08 per qtl. Prices of seed are likely to trade range bound to firm as buyers interest is expected to continue at lower level.

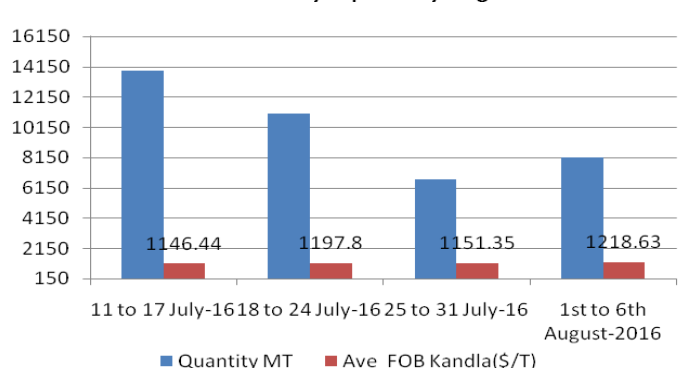
**Castor Seed Price Trend(Rs/Per Qtl.)**


**Castor Seed Arrival Chart:** Arrivals have in Patan only last week due to higher price offered to farmers stockiest. In other markets it declined as farmers have preferred to retain stock and wait for better 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 35% of their stock due to lower price.

**Castor Seed Arrival Trend (In Qtl.)**

**Castor Oil Export Trend:-**

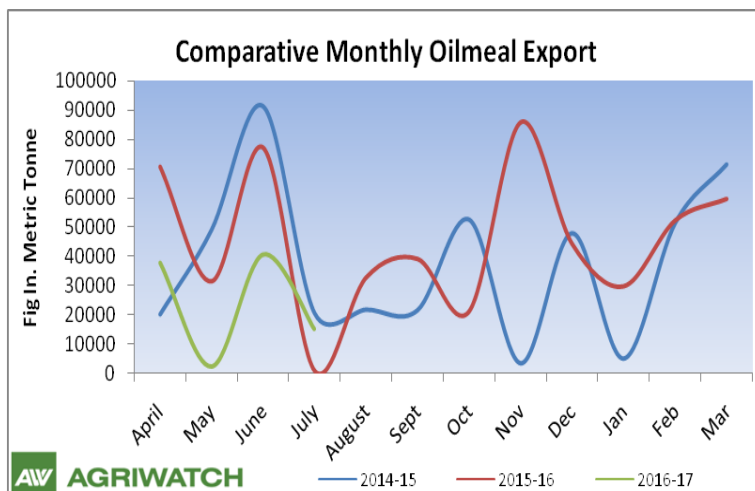
The latest export data is awaited. Castor oil export decreased slightly by 21.95 to 8185 tonne week on week basis. India had exported 6711.95 tonne oil previous week. Average price realization increased by 5.84 % to \$1218.63 per tonne. Castor oil export would continue to stay steady as prices are lower 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 Oil Weekly Export: July-Aug-2016**


### 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 Third week August, 2016

State	Prices 16-23 Aug 2016	Prices 09-15 Aug 2016	Prices 01-08 Aug 2016	Prices 16-23 Aug 2015	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3292.45	3366.02	3410.87	3818.82	-2.19	-3.47	-13.78
Gujarat	3428.14	3387.54	3413.64	3863.19	1.2	0.42	-11.26
Karnataka	1700	1600	3119	1742.11	6.25	-45.5	-2.42
Madhya Pradesh	2353.99	1610	2462.5		46.21	-4.41	—
Maharashtra	2700	3078		3100	-12.28	—	-12.9
Rajasthan	3284.8	3254.96	3296.6	3757.38	0.92	-0.36	-12.58
Tamil Nadu			3102.5	3679	—	—	—
Telangana	3086.27	3350.38	3273	3826.12	-7.88	-5.71	-19.34
Average	2835.09	2806.7	3154.02	3398.09			

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	Awaited	
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)	3350-3375	3375-3400
Medium Term (30 days)	3400-3450	3450-3500

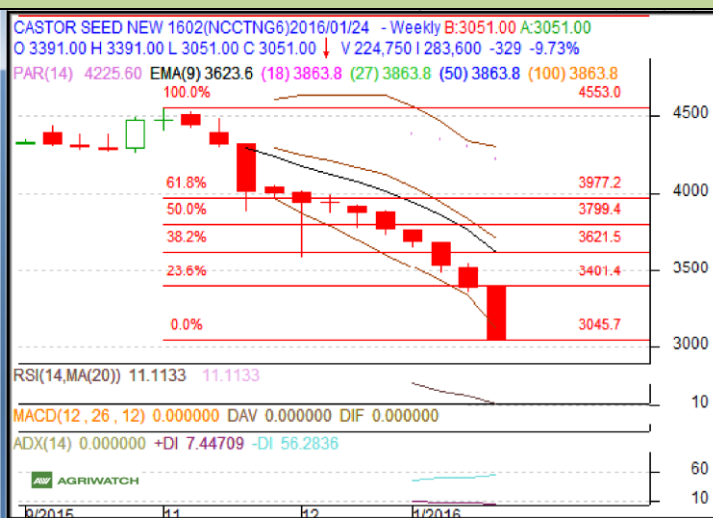
**Comparative Prices Of Castor Products Including Seed**

	19 <sup>th</sup> Aug '16	12 <sup>th</sup> Aug '16	19 <sup>th</sup> July '16	Aug '15	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	35450	35500	32700	40223	<b>-11.87</b>
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	67	67	68	111	<b>-48.54</b>
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	4500	4450	4500	7080	<b>-36.44</b>
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1110	1105	1020	1243	<b>-10.70</b>
Local rates for oil in domestic market(Rs./M.T.) for comm.	75500	75500	72500	82828	<b>-8.85</b>

Source:SEA. Latest data awaited

**Technical Analysis:**
**Castor – Technical Outlook**
**Technical Commentary:**

Futures Contracts Were suspended on 27<sup>th</sup> 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 28<sup>th</sup> July,2016:

**Progressive Sowing-2016**

States	Progressive sowing Till 28th July-2016		
	2016	2015	% Ch
Andhra Pradesh			
Telangana	0.2	0.1	100.00
Arunachal Pradesh	0.38	0.35	8.57
Assam	0	0	0.00
Bihar	0	0	0.00
Chhattisgarh	0.1	0.1	0.00
Gujarat	0	0	
Haryana	0.18	0.22	-18.18
Himachal Pradesh		0.01	-100.00
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		13th to 19th Aug 2016	06th to 12th Aug 2016	
<b>Gujarat</b>	Patan	3506	3484	<b>22</b>
	Harij	3529	3464	<b>65</b>
	Rajkot	3329	3321	<b>8</b>
	Gondal	3311	3401	<b>-90</b>
	Deesa	3455	3440	<b>15</b>
	Bhabar	NR	NR	-
	Mehsana	3433	3416	<b>18</b>
	Kadi	3467	3432	<b>35</b>

	Sabarkatha	3443	3431	12
	Gandhi Nagar	3488	3442	46
	Ahmedabad (Sanand)	NA	3405	-
	Halvad	3393	3367	27
	Junagadh	3325	3275	50
	Dhrol	3135	3208	-73
Rajasthan	Jodhpur	3215	3302	-87
	Sumerpur	3350	3356	-6

## Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		19-Aug-16	12-Aug-16	19-Jul-16	19-Aug-15
Gujarat	Patan	3525	3515	3400	0
	Harij	3525	3515	3390	3940
	Rajkot	3325	3335	3385	3815
	Gondal	3355	3405	3505	3830
	Deesa	3445	3460	3325	3925
	Bhabar	NR	NR	3375	3925
	Mehsana	3450	3415	3325	3915
	Kadi	NA	3440	3375	3965
	Sabarkatha	3475	3425	3375	4000
	Gandhi Nagar	3500	3475	3350	3935
	Ahmedabad (Sanand)	NA	3385	3350	3770
	Halvad	3400	3400	3180	3875
	Junagadh	3250	3275	3150	3835
	Dhrol	NA	3150	3265	3630
Rajasthan	Jodhpur	3250	3250	3200	3600
	Sumerpur	3325	3350	3425	3800

## Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	13th to 19th Aug 2016	06th to 12th Aug 2016	Change
Gujarat	Patan	13875	11642	2234
	Harij	1875	2550	-675
	Rajkot	1170	985	185
	Gondal	754	1097	-343
	Deesa	620	1446	-826
	Bhabar	NR	NR	-
	Mehsana	1350	1350	Unch



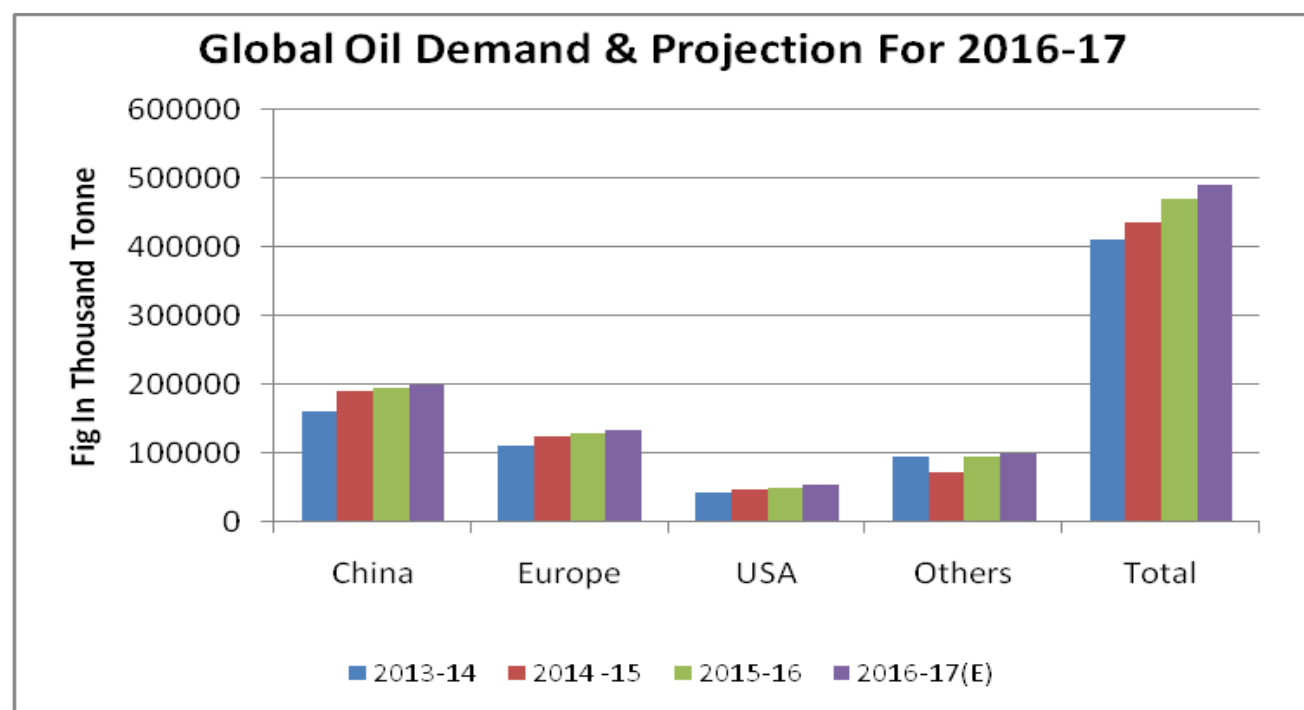
	Kadi	2532	3690	<b>-1158</b>
	Sabarkatha	563	480	<b>83</b>
	Gandhi Nagar	1575	1088	<b>488</b>
	Ahmedabad (Sanand)	NA	78	-
	Halvad	450	266	<b>184</b>
	Junagadh	740	120	<b>620</b>
	Dhrol	1	27	<b>-27</b>
<b>Rajasthan</b>	Jodhpur	80	308	<b>-228</b>
	Sumerpur	640	640	<b>Unch</b>
<b>Total Arrivals/Above Markets</b>		<b>26224</b>	<b>25765</b>	<b>458</b>

### Outlook & Recommendation:

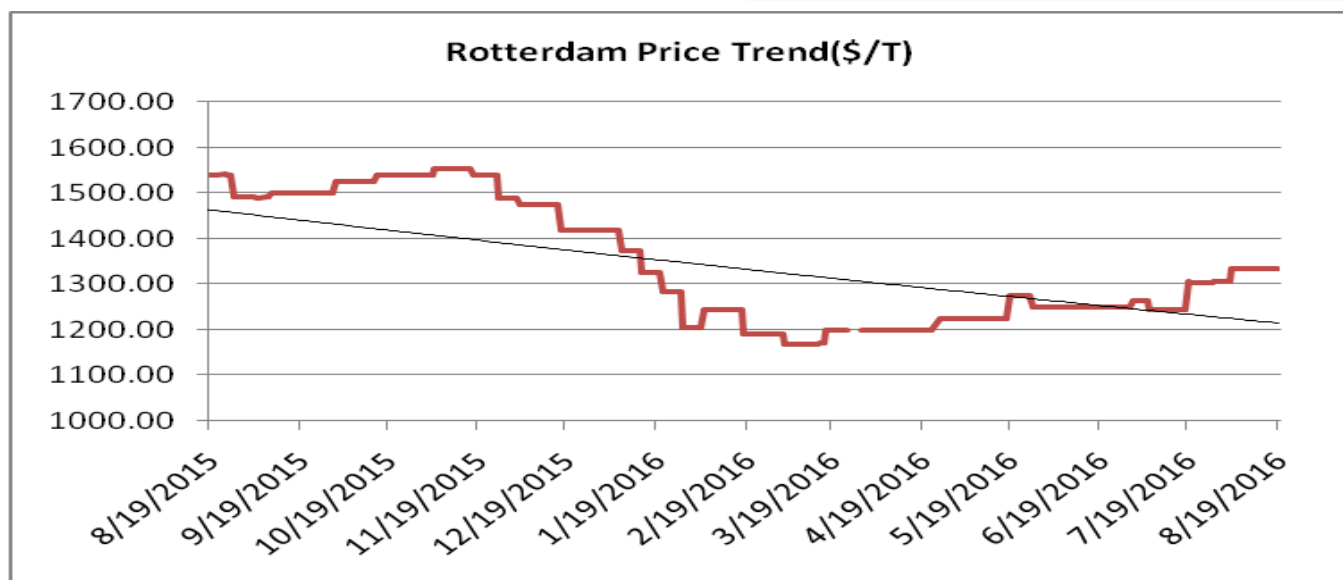
Castor seed market is expected to trade steady to slightly firm in the fourth week of August. It will continue to consolidate in span of time due to lower acreage so far. Availability for crushing is lower as farmers have retained stock. Fear of lower acreage may lend support to cash market fundamentals 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 increase from July-2016 to August 2016. It improved from \$1334 per tonne to \$1335.90 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 now. 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.

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php> © 2016 Indian Agribusiness Systems Pvt Ltd.