

Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

All India average price for castor seed could not sustain at higher level and decreased by 1.68 % from Rs 3243.70 to Rs3189.03 per qtl during the week ended 3rd Sept-2016. It is lower by 9.13 % from the price registered in the first week of Sept, 2015. As prices are ruling lower, buyers remain active. Arrivals are comparatively 50 % 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 4th quarter of the year.

Castor seed planting is lagging behind by 26.57 % to 6.54 lakh ha as on 02.09.2016. Indian farmers had planted 8.90 lakh ha in corresponding period last year. It is lower by 27.65 % from the beginning of September normal planting of 9.04 lakh ha. Major decrease has been seen in Gujarat where area lags behind by 34 % to 4.73 lakh ha. It had covered 7.09 lakh ha last year till date.

Rajasthan too is lagging behind by 39 thousand ha to 1.33 lakh ha so far. However, coverage area is running slightly ahead in AP and Telangana. Overall coverage area is expected to fall by 25 to 30 % this year as farmers have shifted to pulses and other lucrative crops.

At oil export front, volume was seen almost steady in August in comparison to July-2016. India exported 39452 tonne castor oil till 28th Aug-2016. It had exported 40657 tonne in July-2016. China, EU and US were active buyers throughout the year as seed and oil prices continue to rule lower by 3.35 and 11.3 % respectively in comparison to August-2015. India exported castor oil at an average FoB of \$1201.99 per tonne in August-2016, slightly up from previous month. Average FoB quote is likely to move up from current level as Agriwatch expects market to get firmer in Sept and average price may move up to \$1225 per tonne.

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 02.09.2016 around 6.54 lakh ha has been covered against 8.90 lakh ha last year till date. It is 27 % lower than corresponding period last year. Normal area coverage in Gujarat is 714,400 ha. and it has covered only 4.73 lakh ha. All India normal till August is 8 lakh ha. Continuous rains in growing region have delayed sowing by two weeks for early maturity varieties. As sowing has got delayed, area decline may increase over 30 percent this year by the end of September.

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 the span of time. Farmers/ stockiests would retain stock and lower coverage area would lower crop size. Besides, steady export pace would remain supportive to the market fundamental.

Call:

Futures contracts have been suspended on 27th Jan-2016

Stake holders in cash market may opt for buying seed around Rs 3350 to Rs3450 for stock purpose.

Castor Seed Price Chart: Price Trend:

After consolidation phase in May-2016 castor cash market started improving and uptrend may continue as arrivals have decreased considerably in August too. Fear of lower area coverage and depleting old stock is expected to lend support to cash market fundamental in the weeks ahead.

Seed market is expected to hover in the range of Rs 3350 to Rs 3450 per qtl. Rajkot market average price for August comes to Rs 3347.35 per qtl. For Patan It is Rs 3501 per qtl. Average price in Deesa comes to Rs 3445 per qtl.

Possibility of good rainfall and lower area coverage may support market in the second half of the year. Restricted demand for oil from overseas market may continue to restrict one way uptrend. Lower arrivals seems supportive to the market fundamental. Overall outlook remains firm.

Castor Seed Arrival Chart: Arrivals of seed continued to decrease in August in comparison to July- 2016 in major markets despite improved price. There is no hope for higher arrival in Sept too as seed price is ruling lower by 5.45 % from previous year.

Stake holders would prefer to wait for stabilization in the cash market. Market participants say that arrival pace would not increase until prices move up above Rs3650 per qtl.

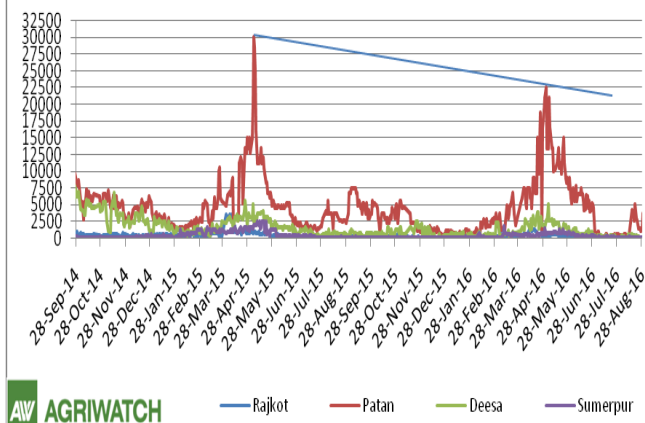
Farmers may wait till Oct./Nov as seed price usually start moving up from July and touches its peak in Nov-Dec. New crop starts hitting the market from January. This year production of castor seed is bound to decrease as area would decline by 25/30 percent. Major decline may be seen in Gujarat and Sumerpur.

Castor Oil Export Trend:-At oil export front, volume was seen almost steady in August in comparison to July-2016. India exported 39452 tonne castor oil till 28th Aug-2016. It had exported 40657 tonne in July-2016. China, EU and US were active buyers throughout the year as seed and oil prices continue to rule lower by 3.35 and 11.3 % respectively in comparison to August-2015. India exported castor oil at an average FoB of \$1201.99 per tonne in August-2016, slightly up from previous month. Average FoB quote is likely to move up from current level as Agriwatch expects market to get

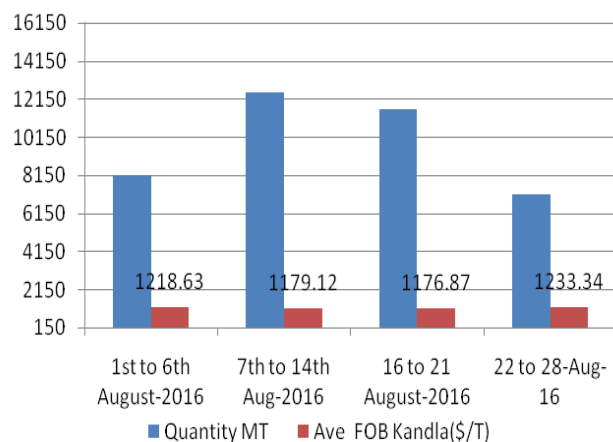
Castor Seed Price Trend(Rs/Per Qtl.)



Castor Seed Arrival Trend (In Qtl.)



Castor Oil Weekly Export:Aug-2016



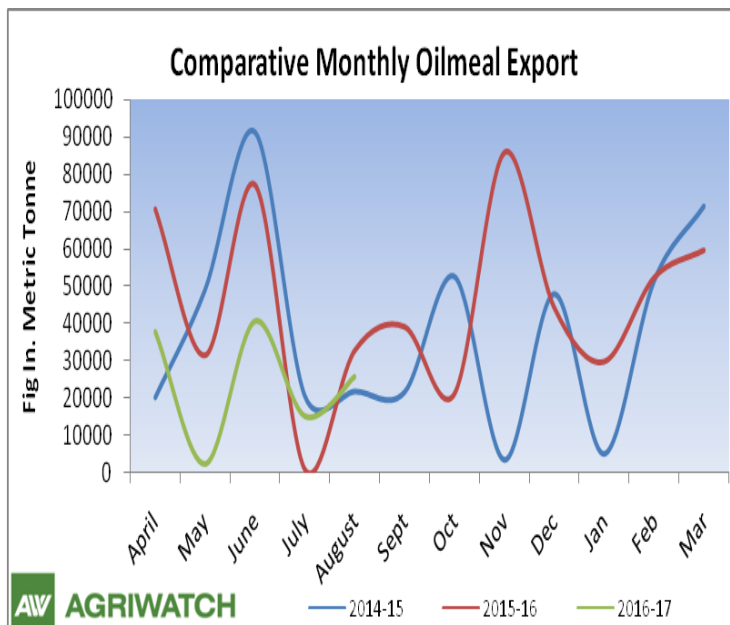
firmer in Sept and average price may move up to \$1225 per tonne.

Castor Meal Export

India had exported only 25750 tonne castor meal in Aug, 2016. It had exported over 15000 tonne in July.

Meal export may decrease as arrival of seed has declined by 45 to 50 percent in August too. FOB quotes for meal is expected to improve as availability is bound to decrease. Average FoB price for castor meal is \$75 per tonne. It may move up to \$80 per tonne by Sept. end.

France, Taiwan and Japan were the major buyers in June and they would continue to dominate in July too.



State Wise Weekly Price Trend:

State wise Wholesale Prices Weekly Analysis for Castor Seed First week September, 2016

State	Prices 01-08 Sep 2016	Prices 24-31 Aug 2016	Prices 16-23 Aug 2016	Prices 01-08 Sep 2015	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3119.88	3243.32	3289.5	3960.08	-3.81	-5.16	-21.22
Gujarat	3451.43	3426.47	3427.57	3995.62	0.73	0.7	-13.62
Karnataka	2926.92	3105.5	1764.16	3800	-41.17	3.56	-51.92
Madhya Pradesh	2500	2300	2353.99	1940	—	—	—
Maharashtra	3125		3162.5	3150	—	—	—
Rajasthan	3329.02	3300.36	3290.82	3862.38	0.87	1.16	-13.81
Tamil Nadu	3750	4007.35	4222	3448	—	—	—
Telangana	3310	3323.54	3321.14	3921.83	—	—	—
Average	3189.03125	3243.79	3103.96	3509.74			

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	12533.39	77.05
3rd Week	11996.83	12280	13926.36	11609.17	-16.64
4th Week Till 28th	14329.86	12545.18	11068.04	7125.08	-35.62
Total	45948.22	56524.03	40657.76	39452.64	-2.96

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					
	26 th Aug '16	19 th Aug '16	26 th July '16	Aug '15	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	35750	35450	36050	40223	-11.12
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	67	67	67	111	-39.64
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	4500	4500	4450	7080	-36.44
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1115	1110	1115	1243	-10.30
Local rates for oil in domestic market(Rs./M.T.) for comm.	76000	75500	75500	82828	-8.24

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 26 August,2016:

Progressive Sowing-2016

States	Progressive sowing Till 26th August-2016		
	2016	2015	% Ch
Andhra Pradesh			
Telangana	0.32	0.31	3.23
Arunachal Pradesh	0.55	0.54	1.85
Assam	0	0	
Bihar	0	0	
Chhattisgarh	0.1	0.1	0.00
Gujarat	3.27	5.12	-36.13
Haryana	0.2	0.28	-28.57
Himachal Pradesh		0.01	-100.00
Jammu & Kashmir			
Jharkhand			
Karnataka			
Kerala	0.05	0.06	-16.67
Madhya Pradesh	0.02	0.04	-50.00
Maharashtra	0.33	0.42	-21.43
Odisha	0.12	0.1	20.00
Punjab	0.07	0.09	-22.22
Rajasthan	0.65	0.52	25.00
Tamil Nadu	0.05	0.06	-16.67
Uttar Pradesh	0.01	0.1	-90.00
Uttarakhand			
West Bengal			
Others			
Total – All India	5.74	7.75	-25.94

As on 26th, August total coverage under castor seed was reported 5.74 lakh ha against last year's coverage of 7.75 ha. The latest State wise break up is awaited.

Castor Seed Weekly Prices at Key Spot Markets:

Commodity	Market	Price (Rs/ Quintal)		Change
Center		27th Aug to 02nd Sept 2016	20th to 26th Aug 2016	
Gujarat	Patan	3522	3513	9
	Harij	3519	3527	-8
	Rajkot	3376	3360	16
	Gondal	3411	3380	31
	Deesa	3420	3453	-33
	Bhabar	NR	NR	-
	Mehsana	3444	3440	4
	Kadi	3473	3485	-13
	Sabarkatha	3474	3469	5
	Gandhi Nagar	3492	3488	4

	Ahmedabad (Sanand)	3345	3285	60
	Halvad	3427	3405	22
	Junagadh	3403	3300	103
	Dhrol	NA	NA	-
Rajasthan	Jodhpur	3294	3233	61
	Sumerpur	3350	3350	Unch

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		2-Sep-16	26-Aug-16	2-Aug-16	2-Sep-15
Gujarat	Patan	3555	3500	3470	4025
	Harij	3550	3525	3440	4010
	Rajkot	3425	3360	3370	3900
	Gondal	3405	3355	3480	NR
	Deesa	3440	3435	3450	4000
	Bhabar	NR	NR	3400	4000
	Mehsana	3475	3460	3425	3985
	Kadi	3495	3470	3450	4035
	Sabarkatha	3500	3475	3425	4035
	Gandhi Nagar	3500	3475	3450	4000
	Ahmedabad (Sanand)	NA	3285	3430	3770
	Halvad	3400	3405	3345	3875
	Junagadh	3375	3300	3325	NR
	Dhrol	NA	NA	3170	NR
Rajasthan	Jodhpur	3450	3145	3250	4120
	Sumerpur	3350	3350	3350	3875

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	27th Aug to 02nd Sept 2016	20th to 26th Aug 2016	Change
Gujarat	Patan	15125	13592	1532
	Harij	1725	2100	-375
	Rajkot	540	120	420
	Gondal	437	388	49
	Deesa	314	775	-462
	Bhabar	NR	NR	-
	Mehsana	3075	1425	1650
	Kadi	5061	3230	1831

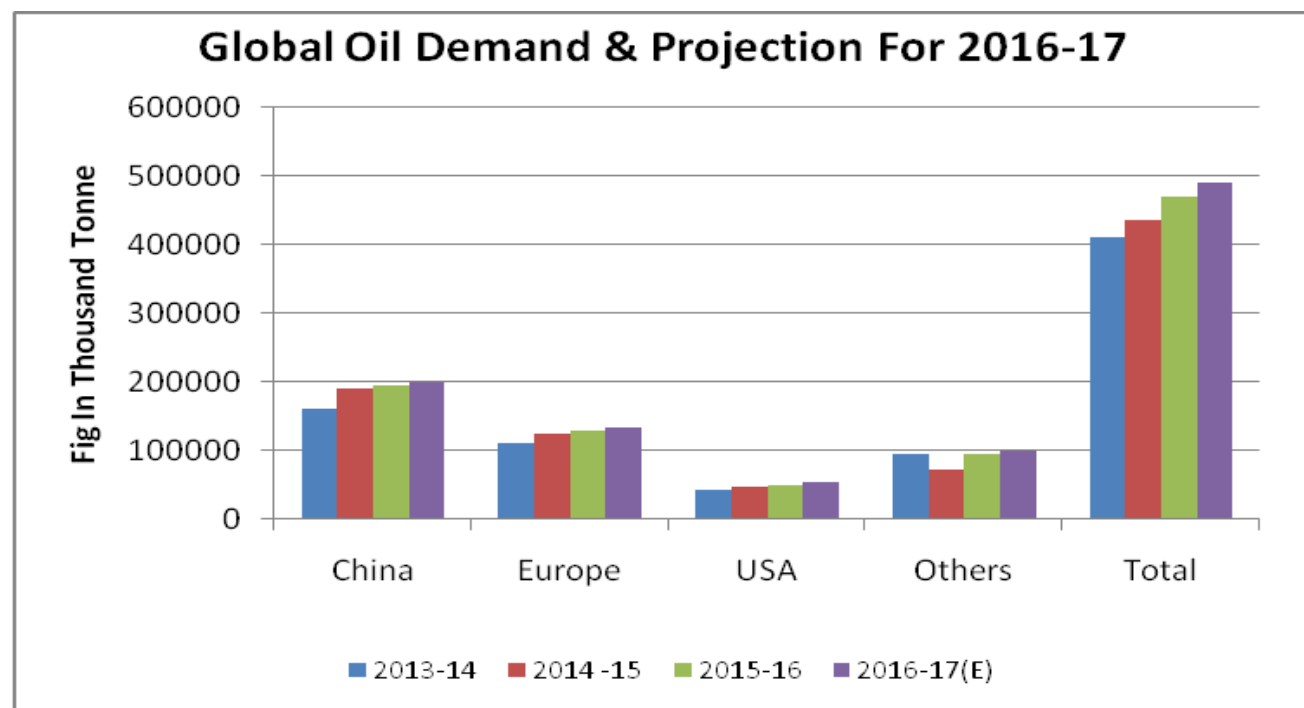
	Sabarkatha	1275	300	975
	Gandhi Nagar	2663	1163	1500
	Ahmedabad (Sanand)	3	1	2
	Halvad	728	60	668
	Junagadh	160	50	110
	Dhrol	NA	NA	-
Rajasthan	Jodhpur	155	137	18
	Sumerpur	640	560	80
Total Arrivals/Above Markets		31899	23900	7998

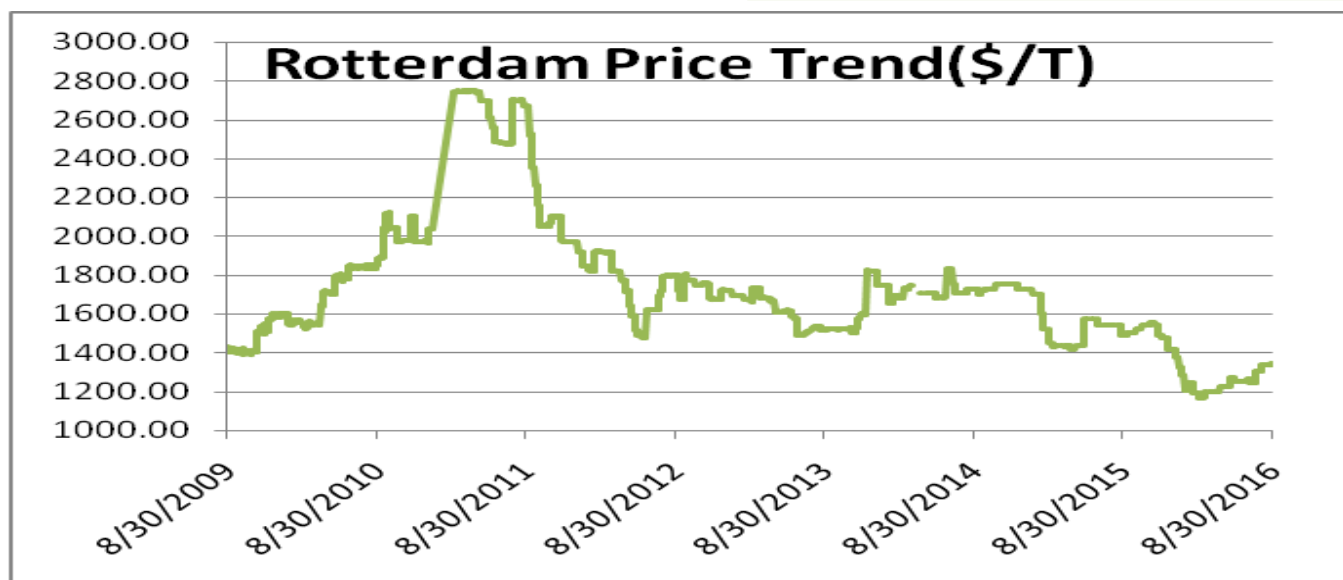
Outlook & Recommendation:

Castor seed market is expected to trade steady to slightly firm in the first week of Sept. 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.

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