

Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

During the first week of November, most of the market were closed on the occasion of Indian festival " Diwali". Lower crop estimation may push castor seed prices on higher side in long run.

As per sources, Gujarat has covered total 565400 Ha. castor crops sowing as on 3rd October 2016 lower than previous year record i.e.781400 Ha. during the corresponding period of time followed by sowing area in North Gujarat region, Middle Gujarat region, Saurashtra and South Gujarat region as they have completed sowing area around 3108 Ha, 777, 855, 38 Ha .respectively. Normal sowing area last three years stood at 714400 Ha of this season as on 3rd October 2016.Most of the farmers in Gujarat shifted the castor area towards pulse crop on expectation of higher profit.

As per sources, Andhra Pradesh has covered total 0.34 lakh hectare of castor sowing as on 12th October 2016 which is 43% of this season. Sowing area was covered near 0.46 lakh hectare and 0.48 lakh hectare, in the corresponding period of time in 2015 and 2014 respectively. Normal sowing area stood at 0.80 lakh hectares as on 12th October 2016 while targeted area of castor seed is mentioned at 0.80 for the same period of time.

According to recent released IBIS data, India shipped approximately 1187.165 tonne castor oil during the period started from 5th Sep 2016 to 9th September 2016 with a total FOB price Rs.9.014 crore mostly from Mundra port via sea mode in India. USA, Italy, Turkey, China, Vietnam Japan Russia are the main buyer for Indian castor oil. India ships between 400,000-450,000 tonnes of the oil every year

Castor seed sowing area may decline by 24 to 30 per cent in the year 2016-17 as farmers are shifting towards groundnut, spices and pulses. Since the beginning of the year (Feb) castor prices have been reeling under extreme pressure due to higher accumulated stock and steady almost steady demand for castor oil. Other sources like the Solvent Extractors' Association of India (SEA), castor sowing area may decline by 40% in this year. India produced 1.3-1.5 million tonnes of castor seed every year.

Progressive Area Coverage: -

According to the current government data, total 8.30 lakh hectares or 72.3% of castor sowing area has been covered as on 23rd Sep 2016 with a decline of 2.6% against 10.83 lakh hectares during corresponding period last year. Normal coverage area as on date stood lower by 2.3% to 10.58 lakh hectares against previous season. Continuous rains in growing region have delayed sowing by two weeks for early maturity varieties. Delay in sowing may cause increased decline in area by , 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 from17.75 to 16.50 lakh tonne in fourth Adv estimate The production target for the year had been fixed at 20.34lakh 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/ stockiest 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 3500 to 3600 Rs. for stock purpose.

Castor Seed Price Chart:

Price Trend:

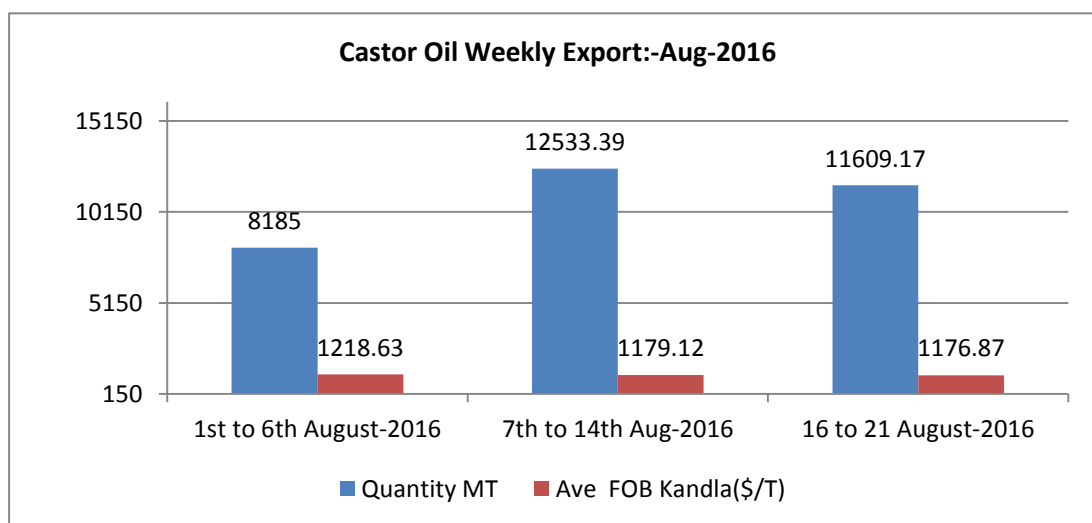
Physical market were closed during this week on occasion of "Diwali".

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. Sometimes lower arrivals seems supportive to the market fundamental. Overall outlook remains firm.

Castor Seed Arrival Chart: Market were close whole of the week.

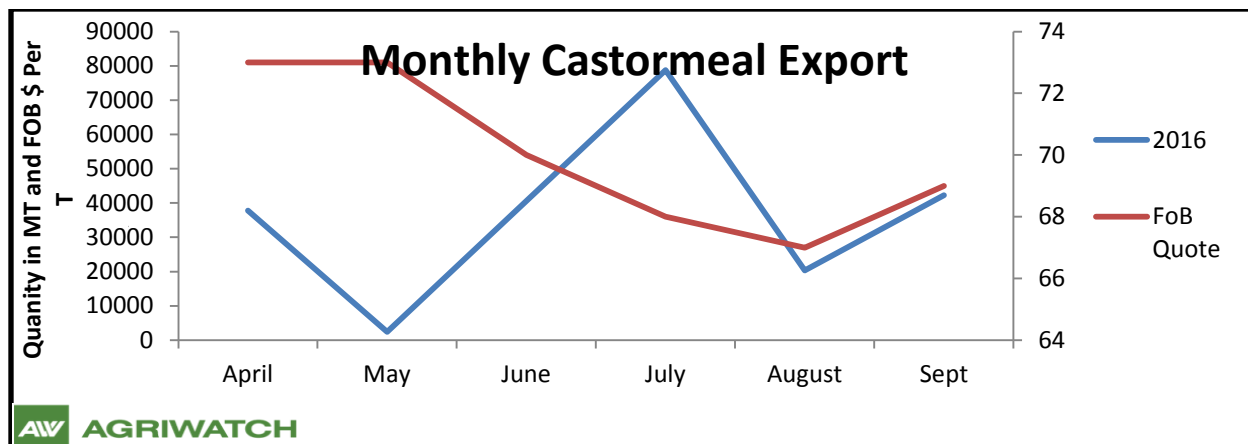
Further, few farmers may wait till Nov as seed price usually start moving up from July and touches its peak in Nov-Dec. New crop starts hitting the market from January. This year production of castor seed is bound to decrease as area would decline by 25/30 percent.

Castor Oil Export Trend:-At oil export front, volume was 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.



Source: Sea Of India (Latest Data Awaited)

Castor Meal Export:- India exported total 42269 tonnes castor meal in September 2016 higher than 20301 tonnes in August 2016. As seed price is ruling lower, export volume is expected to go up in October-2016 as well. Average castor meal exports (April 2016 to September 2016) is registered down at 222137 T against 252037 T in previous year during the same period of time. FOB quotes for meal has decreased at \$69/T in September 2016 from \$110 per tonne in last year during the same period of time. South Korea bought 213847 tonne meal during April- Sep 2016 at an average price of \$101.65 per tonne.



source: Sea of India

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

Source: Sea Of India (Latest Data Awaited)

Cash Market Price Outlook For Deesa Spot

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	3500-3650	3600-3700
Medium Term (30 days)	3550-3750	3600-3850

Comparative Prices Of Castor Products Including Seed					
	21st Oct'16	14th Oct'16	21st Sept'16	21st Oct'15	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	36500	37550	38900	40927	-12.13
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	65	67	70	107	-64.62
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	4200	4400	4700	6704	-59.62
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1160	1185	1230	1271	-9.57
Local rates for oil in domestic market(Rs./M.T.) for comm.	77000	77500	81500	84688	-9.98

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 13th October,2016:
Progressive Sowing-2016

States	Progressive sowing Till 13th October-2016		
	2016	2015	% Change
Andhra Pradesh	0.31	0.46	-32.60869565
Telangana	0.43	0.47	-8.510638298
Arunachal Pradesh	--	--	--
Assam	--	--	--
Bihar	0.01	0.01	Unchanged
Chhattisgarh	--	--	--
Gujarat	5.65	7.81	-27.65685019
Haryana	--	0.02	--
Himachal Pradesh	--	--	--
Jammu & Kashmir	--	--	--
Jharkhand	--	--	--
Karnataka	0.11	0.1	10
Kerala	--	--	--

Madhya Pradesh	--	--	--
Maharashtra	0.07	0.12	-41.66666667
Odisha	0.06	0.07	-14.28571429
Punjab	--	--	--
Rajasthan	1.71	1.98	-13.63636364
Tamil Nadu	0.04	0.04	--
Uttar Pradesh	--	--	--
Uttarakhand	--	--	--
West Bengal	--	--	--
Others	0.01	--	--
Total – All India	8.4	11.08	-24.18772563

As on 13th October 2016, total coverage under castor seed was reported 8.4 lakh ha against last year's coverage of 11.08 ha.in the same period of time.

Castor Seed Weekly Prices at Key Spot Markets:

Commodity	Market	Price (Rs/ Quintal)		Change
		29th Oct to 4th Nov 2016	22nd to 28th Oct 2016	
Center				
Gujarat	Patan	Closed	3700	-
	Harij	Closed	3666	-
	Rajkot	Closed	3502	-
	Gondal	Closed	3511	-
	Deesa	Closed	3624	-
	Bhabar	NR	NR	-
	Mehsana	Closed	3599	-
	Kadi	Closed	3673	-
	Sabarkatha	Closed	3630	-
	Gandhi Nagar	Closed	3643	-
	Ahmedabad (Sanand)	Closed	3578	-
	Halvad	Closed	3518	-
	Junagadh	Closed	3423	-
	Dhrol	Closed	3325	-
Rajasthan	Jodhpur	Closed	3577	-
	Sumerpur	Closed	3484	-

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		4-Nov-16	28-Oct-16	4-Oct-16	4-Nov-15
Gujarat	Patan	Closed	Closed	3780	4100
	Harij	Closed	Closed	3700	4125
	Rajkot	Closed	3480	3530	3980
	Gondal	Closed	Closed	3605	4005
	Deesa	Closed	Closed	3720	4125
	Bhabar	NR	NR	3675	4125
	Mehsana	Closed	Closed	3690	4100
	Kadi	Closed	Closed	3700	4205
	Sabarkatha	Closed	Closed	3700	4150
	Gandhi Nagar	Closed	Closed	3725	4100
	Ahmedabad (Sanand)	Closed	Closed	3550	3830
	Halvad	Closed	Closed	3580	3950
	Junagadh	Closed	Closed	3475	3920
	Dhrol	Closed	Closed	3390	3760
Rajasthan	Jodhpur	Closed	3620	3550	4120
	Sumerpur	Closed	3500	3575	3900

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	29th Oct to 4th Nov 2016	22nd to 28th Oct 2016	Change
Gujarat	Patan	Closed	18000	-
	Harij	Closed	3150	-
	Rajkot	Closed	1275	-
	Gondal	Closed	1442	-
	Deesa	Closed	3028	-
	Bhabar	NR	NR	-
	Mehsana	Closed	5025	-
	Kadi	Closed	10920	-
	Sabarkatha	Closed	750	-
	Gandhi Nagar	Closed	2775	-
	Ahmedabad (Sanand)	Closed	54	-
	Halvad	Closed	713	-
	Junagadh	Closed	250	-
	Dhrol	Closed	10	-

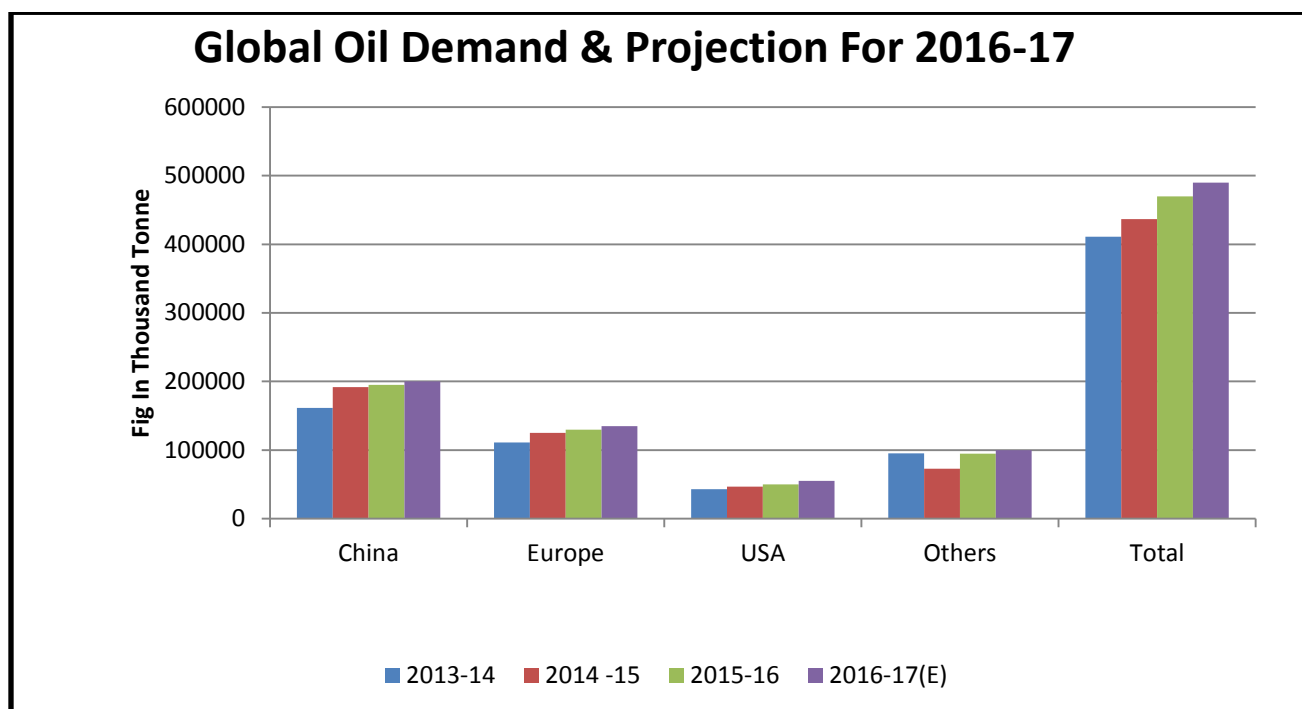
Rajasthan	Jodhpur	Closed	249	-
	Sumerpur	Closed	640	-
Total Arrivals/Above Markets		-	48280	-

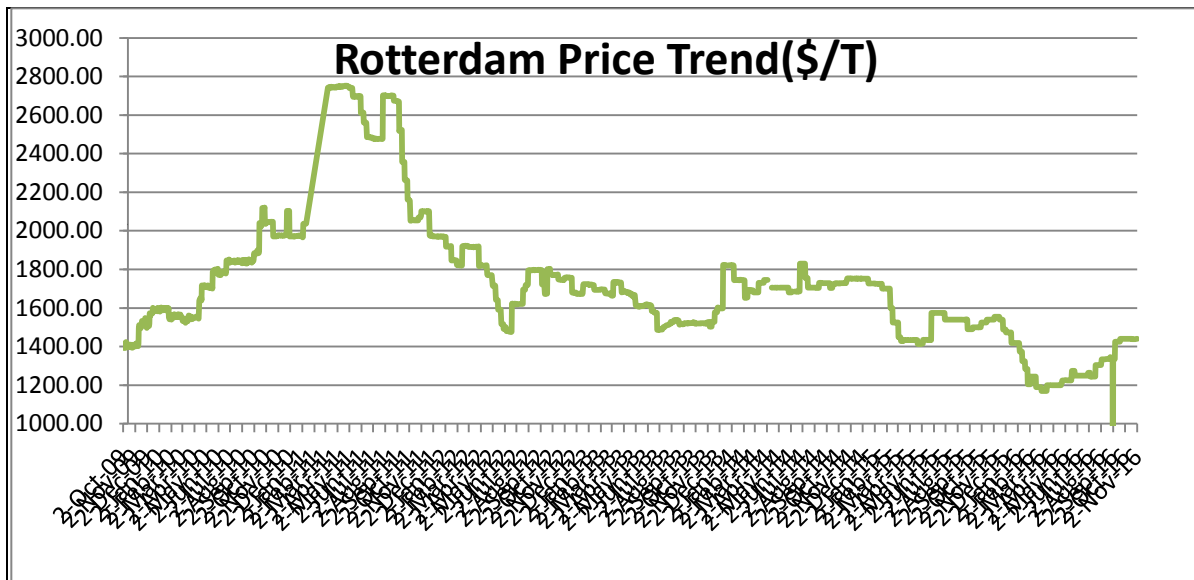
Outlook & Recommendation:

Castor seed market is expected to trade steady to slightly firm in the second week of November. 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 quoted steady to little firm tone from October-2016 to November 2016. It improved a little from \$1439.20 per tonne to \$1439.50 per tonne. It is likely to trade up during the end month of November 2016.

Outlook:

Demand from global market is likely to go up in the short term however major buyers like China, EU and USA have covered their immediate needs for second quarter taking advantage of lower price which may affect price momentum. 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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