

Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

Cash markets remained disturbed and virtually closed due to cash crunch and demonstration against it. There was no trade reported from major markets as farmers, traders and plants are facing shortage of money. Cash market may decrease from current level as buyers and sellers are out of the market at this point of time. Very few markets are opened and traded on higher side.

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 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 and Russia are the main buyers 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 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 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/ stockiest would retain stock and lower coverage area would lower crop size. Besides, steady export pace would remain supportive to the market fundamental.

Call:

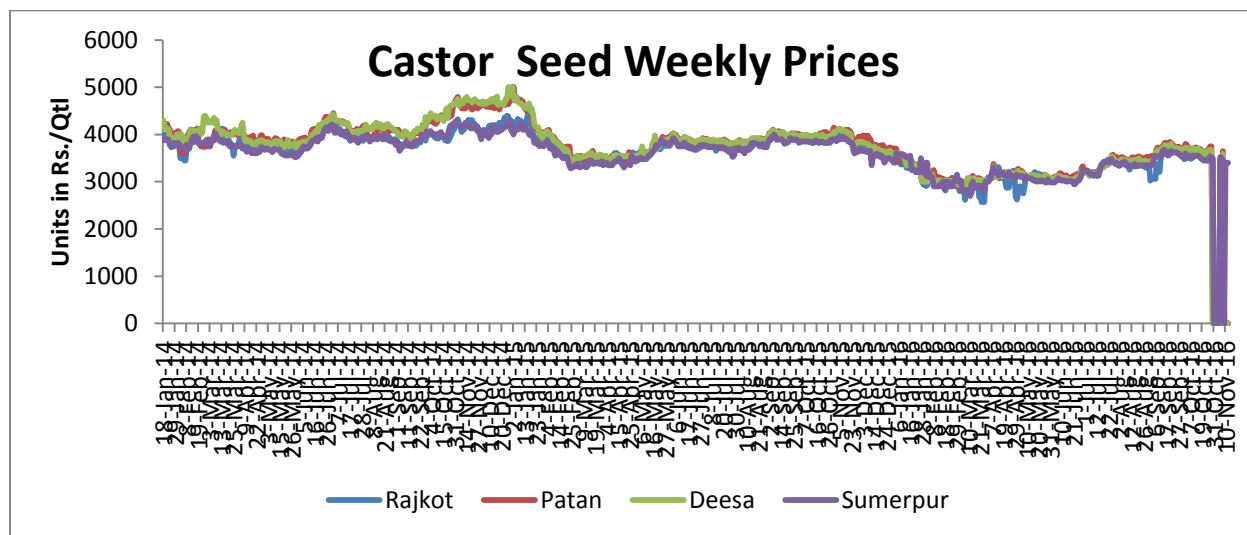
Futures contracts have been suspended on 27th Jan-2016

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.

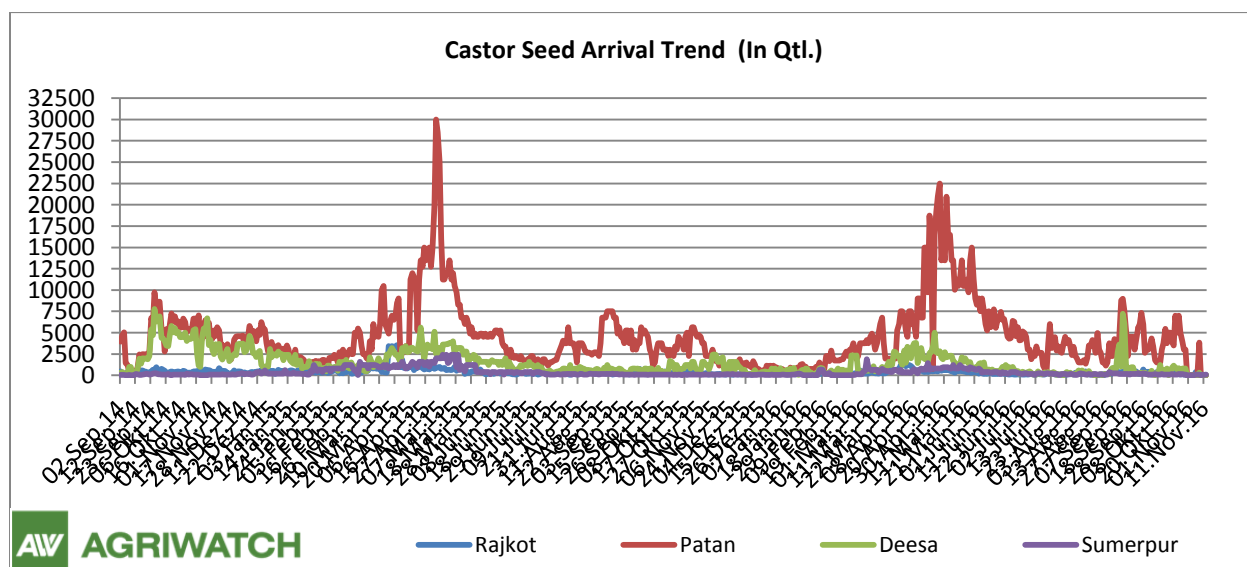
Possibility of good rainfall and lower area coverage may support market in the second half of the year. Restricted demand for oil from overseas market may continue to restrict one way uptrend. Sometimes lower arrivals seems supportive to the market fundamental. Overall outlook remains firm.



Source: Agriwatch

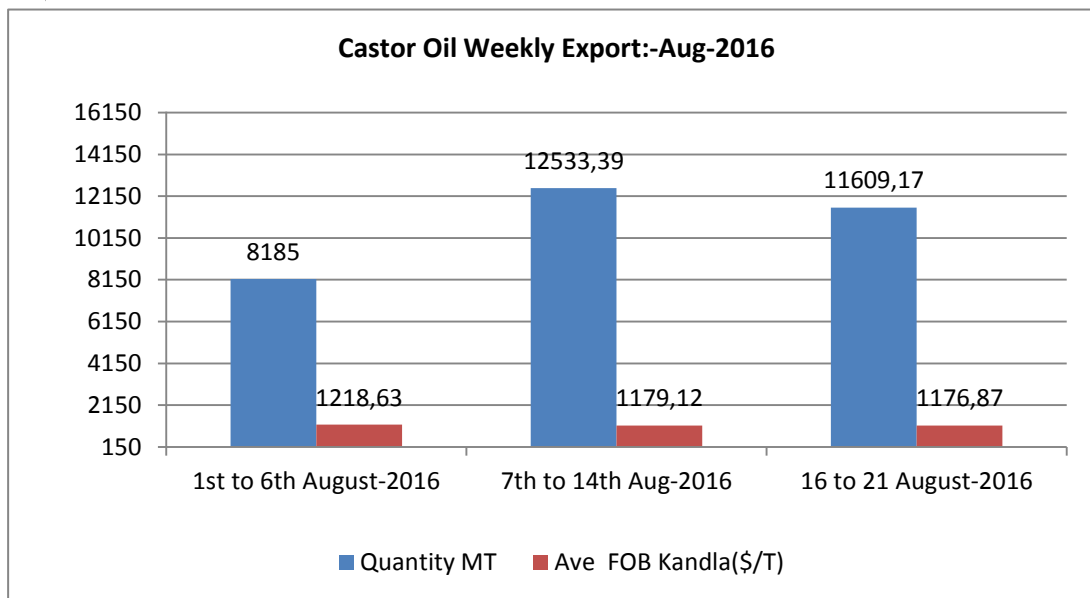
Castor Seed Arrival Chart: Market were remain closed whole of the week.

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.



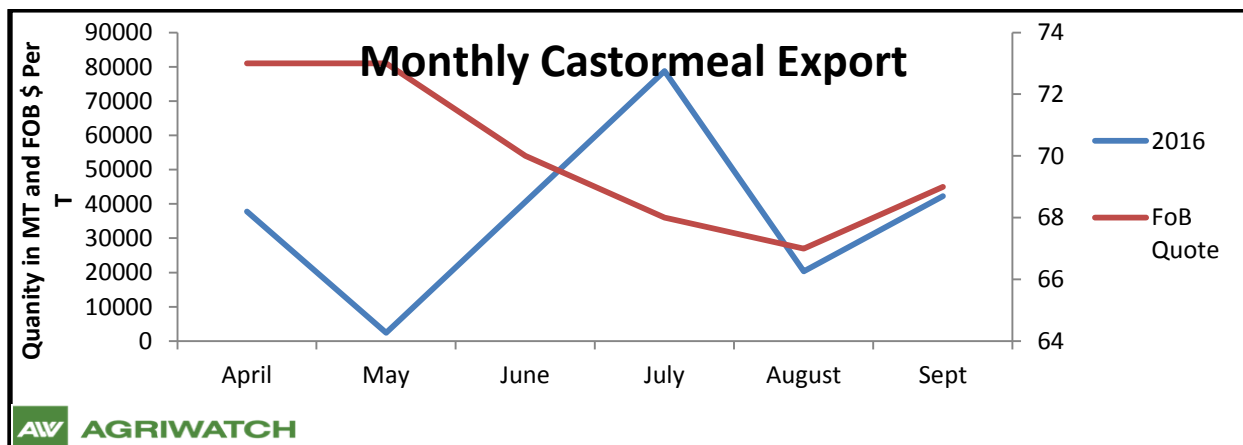
Source: Agriwatch

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.



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

	11th Nov'16	4th Nov'16	10th Oct'16	14th Nov'15	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	NQ	NQ	37450	41181	-
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	66	NQ	67	101	-53.03
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	NQ	NQ	4400	6450	-
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	NQ	NQ	1180	1279	-
Local rates for oil in domestic market(Rs./M.T.) for comm.	77500	78500	78000	85167	-9.89

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
Center		12th to 18th Nov 2016	5th to 11th Nov 2016	
Gujarat	Patan	Closed	3645	-
	Harij	Closed	Closed	-
	Rajkot	Closed	3500	-
	Gondal	3697	3593	104
	Deesa	3760	3590	170
	Bhabar	NR	NR	-
	Mehsana	3638	3613	24
	Kadi	3660	3633	27
	Sabarkatha	Closed	3617	-
	Gandhi Nagar	Closed	3593	-
	Ahmedabad (Sanand)	Closed	NR	-
	Halvad	Closed	3550	-
	Junagadh	Closed	3520	-
	Dhrol	Closed	NR	-
Rajasthan	Jodhpur	3500	3567	-67
	Sumerpur	3480	3455	25

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		18-Nov-16	11-Nov-16	18-Oct-16	18-Nov-15
Gujarat	Patan	Closed	Closed	3675	Closed
	Harij	Closed	Closed	3625	Closed
	Rajkot	Closed	Closed	3545	3990
	Gondal	3630	Closed	3555	Closed
	Deesa	3770	Closed	3625	4010
	Bhabar	NR	NR	NR	Closed
	Mehsana	3650	Closed	3615	4060
	Kadi	3660	Closed	3675	4055
	Sabarkatha	Closed	Closed	3640	4100
	Gandhi Nagar	Closed	Closed	3625	4050
	Ahmedabad (Sanand)	NA	NA	NR	3880
	Halvad	Closed	Closed	3565	3950
	Junagadh	NA	Closed	3535	3970
	Dhrol	Closed	Closed	3355	NR
Rajasthan	Jodhpur	3500	3550	3500	4020
	Sumerpur	3525	3400	3500	3900

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	12th to 18th Nov 2016	5th to 11th Nov 2016	Change
Gujarat	Patan	Closed	2883	-
	Harij	Closed	NA	-
	Rajkot	Closed	370	-
	Gondal	181	930	-749
	Deesa	Closed	321	-
	Bhabar	Closed	NR	-
	Mehsana	263	1275	-1013
	Kadi	16	3376	-3360
	Sabarkatha	Closed	248	-
	Gandhi Nagar	Closed	413	-
	Ahmedabad (Sanand)	Closed	NA	-
	Halvad	Closed	225	-
	Junagadh	Closed	120	-
	Dhrol	Closed	NA	-
Rajasthan	Jodhpur	53	90	-38
	Sumerpur	360	430	-70

Total Arrivals/Above Markets	872	10680	-9808
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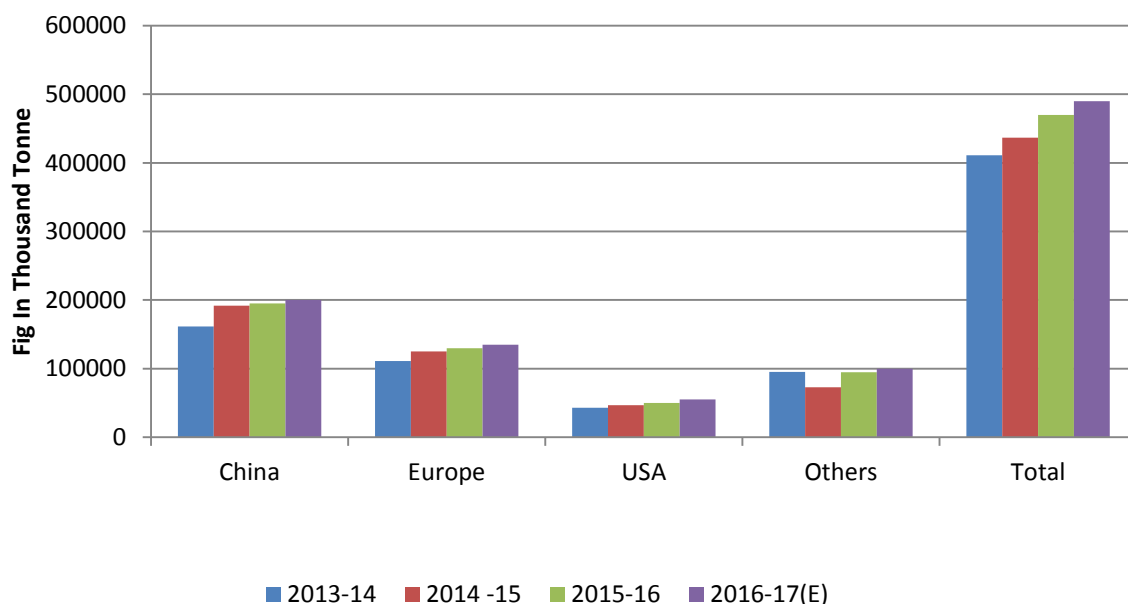
Outlook & Recommendation:

Castor seed market is expected to trade steady to slightly firm in the third 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.

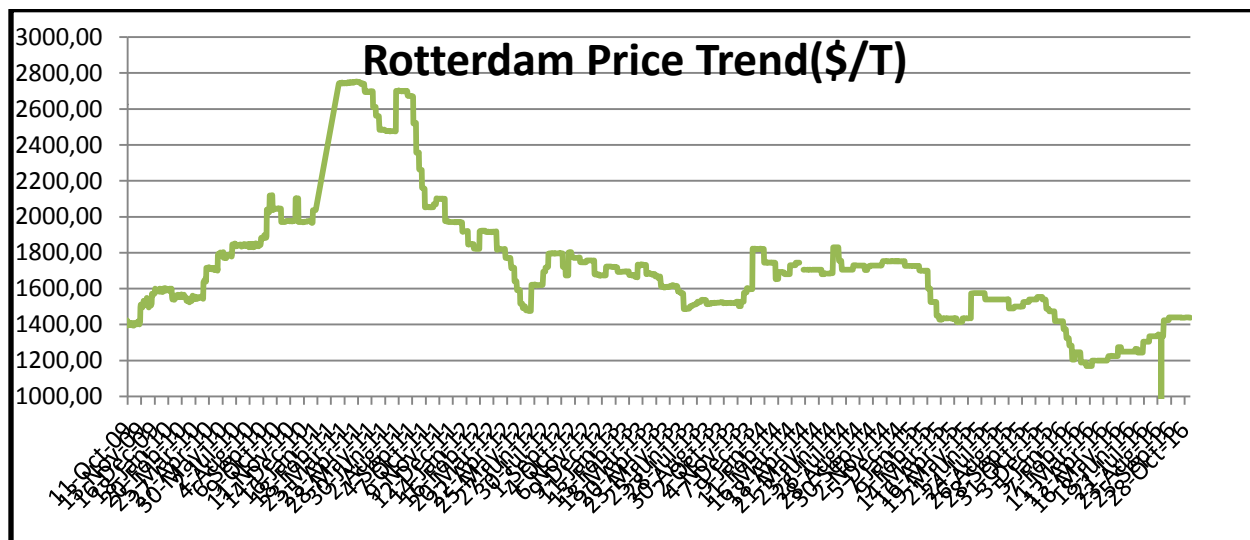
International market update:

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.

Global Oil Demand & Projection For 2016-17



Castor oil Rotterdam Price quoted steady, to, slightly 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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