

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:

Now a days, most of the markets are opened and traded in uptrend due to less supplies. Cash markets remained disturbed due to cash crunch and demonstration against it. As a result, there was no significant trade reported from major markets as farmers, traders and plants are facing shortage of money. However, it is establishing slowly and most of the markets are opened now. Cash market may trade in steady to firm zone as buyers and sellers are out of the market at this point of time. Estimates of lower acreage i.e. 24% down may support firmness to the castor seed prices in the long run. Besides, farmers have shifted 20 to 25% area to other lucrative crops like moong, urad, moth and cotton and turmeric, groundnut. All these developments (including higher oil export) hints uptrend to continue in the second quarter of the year.

According to recent released IBIS data, India shipped approximately 13500 tonne castor oil during the period started from 21st November 2016 to 26th November 2016 with an average FOB price 1655.52 \$/Tonne mostly from JNPT port via sea mode in India. Total 5500 kgs were exported in Turkey and 8000 were shipped in Saudi with a FOB price 1709\$/ T and 1601.04 \$/Tare the main buyer for Indian castor oil.

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.

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: -

Agricultural Statistics Division, Directorate of Economics & Statistics, India has published its fourth advance 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 advance 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 remained steady to firm tone in upcoming weeks as well supported by higher demand against lower supplies. Farmers/ stockiest would retain stock and lower coverage area would lower crop size.

Call:

Futures contracts have been suspended on 27th Jan-2016

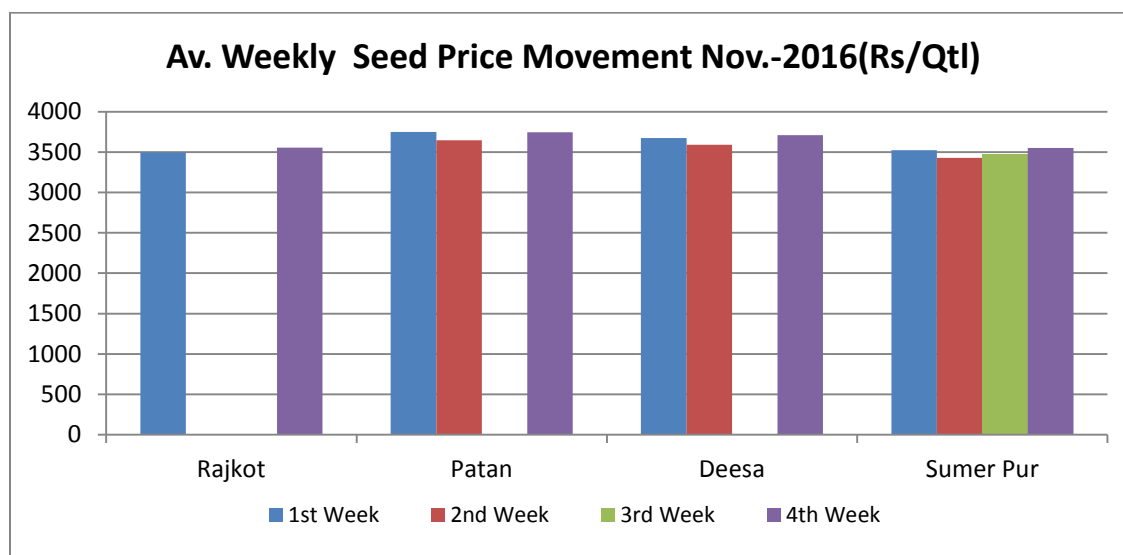
Stake holders in cash market may opt for buying seed around Rs 3500 to 3600 Rs. for stock purpose.

Castor Seed Price Chart:

Price Trend:

Weekly average prices increased in the markets due to new rules of the government. Arrivals are very low in the market due to less availability of cash in the market.

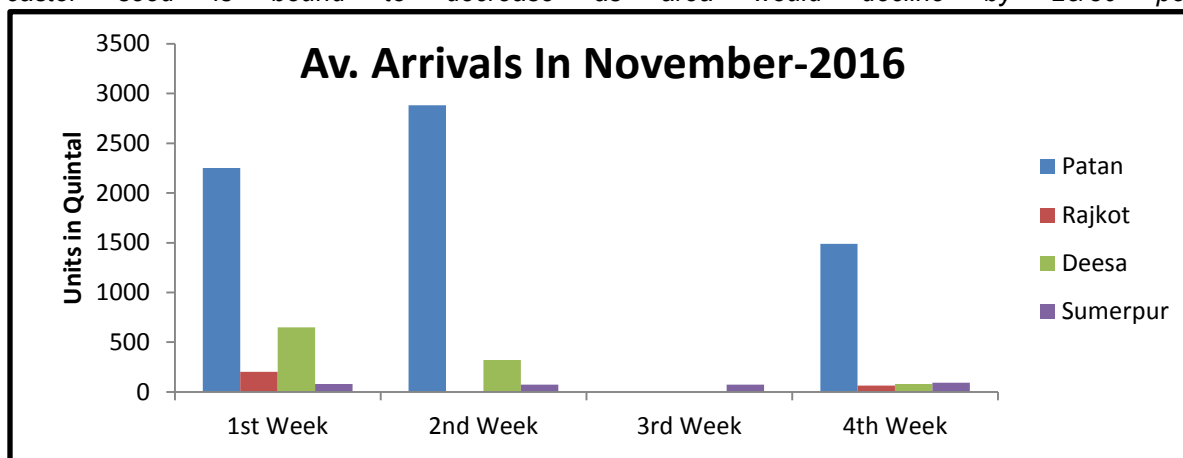
Possibility of good rainfall and lower area coverage may support market in the second half of the year. Restricted demand for oil from overseas market may continue to restrict one way uptrend. Sometimes lower arrivals seems supportive to the market fundamental. Overall outlook remains firm.



Source: Agriwatch

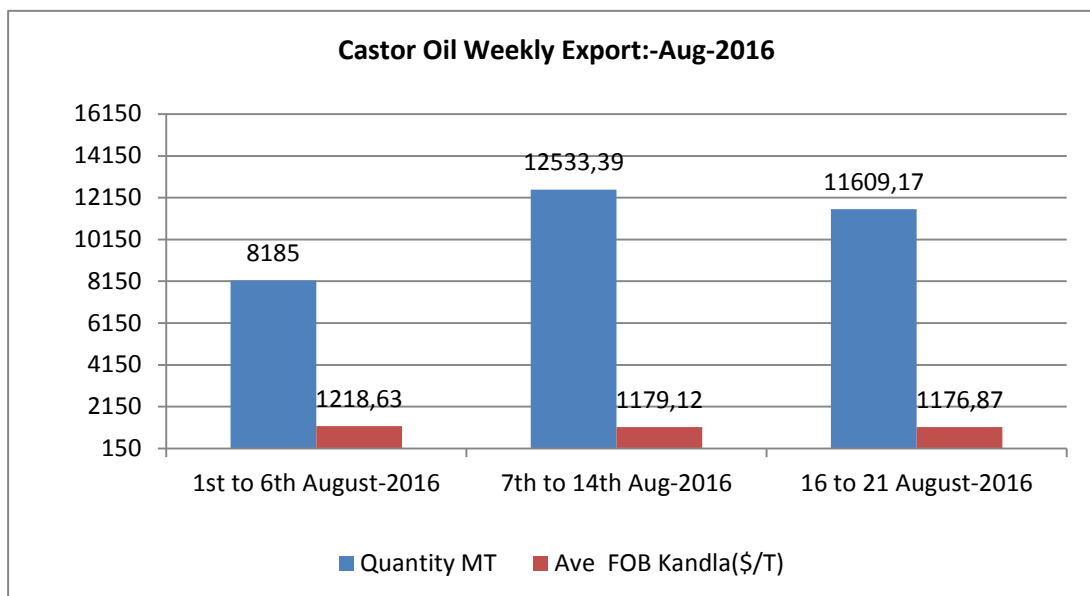
Castor Seed Arrival Chart:

Arrivals declined after ban for Rs. 500 and 1000. Starting days of the month, there was no trading activities in the markets. 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.



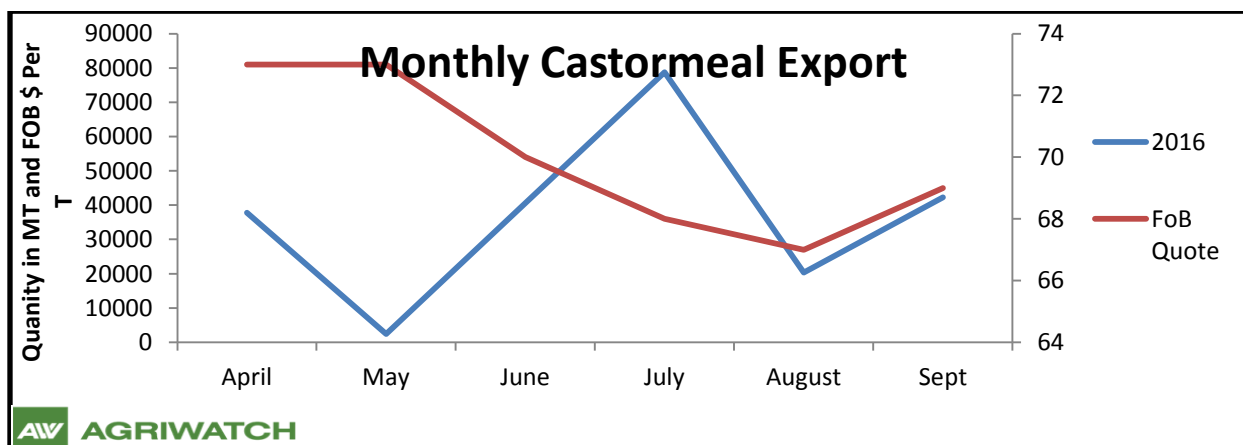
Source: Agriwatch

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. Latest data is awaited.



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. Latest data is awaited.



source: Sea of India

State Wise Weekly Price Trend:

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

State	Prices 24-31 Aug 2016	Prices 16-23 Aug 2016	Prices 09-15 Aug 2016	Prices 24-31 Aug 2015	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3228.53	3289.5	3366.02	3819.09	-1.85	-4.08	-15.46
Chattisgarh				2600	—	—	—
Gujarat	3438.56	3427.86	3387.54	3873.74	0.31	1.51	-11.23
Karnataka	3105.5	1764.16	1600		76.03	94.09	—
Madhya Pradesh		2353.99	1610	2971	—	—	—
Maharashtra		3162.5	3078		—	—	—
Rajasthan	3340.38	3290.82	3254.96	3714.56	1.51	2.62	-10.07
Tamil Nadu		4222		3643.33	—	—	—
Telangana	3357.34	3321.14	3350.38	3843.3	1.09	0.21	-12.64
Average	3294.06	3104	2806.7	3495			

Source: Agmarket.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

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

	18th Nov'16	11th Nov'16	18th Oct'16	18th Nov'15	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	NQ	NQ	37000	41181	-
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	NQ	66	66	101	-
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	NQ	NQ	4350	6450	-
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	NQ	NQ	1170	1279	-
Local rates for oil in domestic market(Rs./M.T.) for comm.	79000	77500	78500	85167	-7.81

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		26th to 02nd Dec 2016	19th to 25th Nov 2016	
Gujarat	Patan	3819	3730	89
	Harij	Closed	Closed	-
	Rajkot	3693	3523	171
	Gondal	3828	3613	214
	Deesa	3771	Closed	-
	Bhabar	NR	Closed	-
	Mehsana	3736	3674	62
	Kadi	3801	3719	82
	Sabarkatha	3765	3675	90
	Gandhi Nagar	3753	3692	61
	Ahmedabad (Sanand)	NA	Closed	-
	Halvad	3533	3485	48
	Junagadh	3714	3609	105
	Dhrol	NA	Closed	-
Rajasthan	Jodhpur	3542	3500	42
	Sumerpur	3625	3543	82

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		2-Dec-16	25-Nov-16	2-Nov-16	2-Dec-15
Gujarat	Patan	3850	3730	Closed	3975
	Harij	Closed	Closed	Closed	3860
	Rajkot	3680	3565	Closed	3725
	Gondal	NR	3655	Closed	3805
	Deesa	3815	Closed	Closed	3845
	Bhabar	NR	NR	NR	NA
	Mehsana	3725	3685	Closed	3860
	Kadi	3785	3770	Closed	3770
	Sabarkatha	3750	3700	Closed	3875
	Gandhi Nagar	3740	3700	Closed	3875
	Ahmedabad (Sanand)	NA	NA	Closed	3705
	Halvad	3625	3510	Closed	3700
	Junagadh	3740	3640	Closed	3805
	Dhrol	NA	Closed	Closed	NA

Rajasthan	Jodhpur	3500	3500	Closed	3790
	Sumerpur	3625	3560	Closed	3650

Outlook & Recommendation:

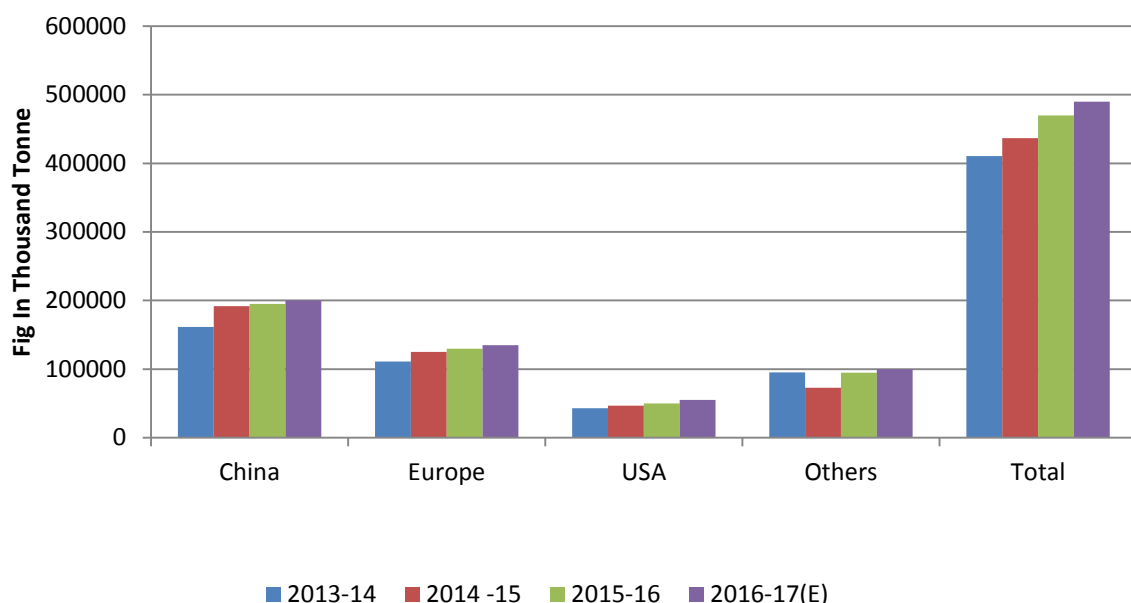
Castor seed market is expected to trade steady to slightly firm in the third week of November. It will continue to consolidate in span of time due to lower acreage so far. Availability for crushing is lower as farmers have retained stock. Fear of lower acreage may lend support to cash market fundamentals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

Castor Seed Cumulative Arrivals in Key Centers:				
Center	Market	26th to 02nd Dec 2016	19th to 25th Nov 2016	Change
Gujarat	Patan	14158	1420	12738
	Harij	Closed	Closed	-
	Rajkot	1175	110	1065
	Gondal	1355	985	370
	Deesa	1962	Closed	-
	Bhabar	NR	Closed	-
	Mehsana	1425	1500	-75
	Kadi	4424	2148	2276
	Sabarkatha	450	113	338
	Gandhi Nagar	2025	600	1425
	Ahmedabad (Sanand)	NA	Closed	-
	Halvad	490	188	302
	Junagadh	640	181	459
	Dhrol	NA	Closed	-
Rajasthan	Jodhpur	34	7	27
	Sumerpur	480	560	-80
Total Arrivals/Above Markets		28618	7811	20807

International market update:

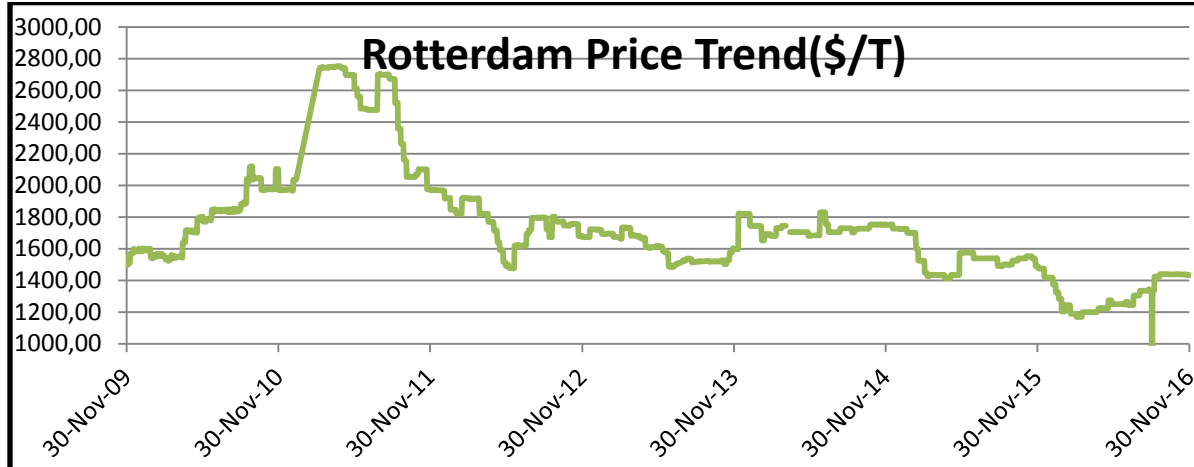
Castor oil export is expected to increase by 4.26 % in 2016-17 as seed price in India is ruling lower by 15 percent from previous year. China and Europe would continue to dominate by buying major chunk of Indian castor oil. Total oil export may touch 5 lakh tonne this year.

Global Oil Demand & Projection For 2016-17



Castor oil Rotterdam Price quoted steady to weak tone from October-2016 to November 2016. It declined a little from \$1433.40 per tonne to \$1438.50 per tonne. It is likely to trade down during the end month of November 2016.

Rotterdam Price Trend(\$/T)



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.

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.