

Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

- **Mixed trend were seen in physical market during this week Lower cash flow in cash market and weak trading activities are affecting** price of seed at this point of time. Buyers /sellers both have preferred to stay away from market as they still hope market to improve. However, emerging scenario hints market to trade range bound despite normal flow of oil export. Old accumulated stock is being used. There is no hope for market to back on right track soon.
- **Seed stock in Gujarat and Rajasthan is said to be lower by 25 % this year** at this point of time. As stockiest are waiting for improvement in price, arrival of seed is lower. New crop would hit market from end January and its impact may be felt on price. Cash crunch too is affecting normal trading activities. Overall outlook remains flat and seed market would continue to trade range bound.,
- **Major buyers have fulfilled its 80 % requirements and they are in position** to wait for new crop, likely to hit market by Jan end. Fresh buying is expected from March onward. However, crop size is expected to be lower this year, castor seed price should move up from current level.
- **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.
- **According to the sources, total 8.40 lakh hectares of castor sowing area in India has been covered** as on 13th October 2016 with a decline of 24.18% against 11.08 lakh hectares during corresponding period last year and 10.36 lakh Ha in 2014. Normal coverage area of five years average stood at 12.51 lakh Ha. While, sowing area is recorded at 8.35 lakh Ha. and 8.30 lakh Ha. respectively as on 29th September 2016 and 22nd September 2016. Continuous rains in growing region have delayed sowing by two weeks for early maturity varieties. Delay in sowing may cause increased decline in area.
- **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. As per latest update by agriculture department, as on September 23, 2016 total sowing area of castor seed has reached to 10.83 lakh hectares, down by 2.3 per cent against last year record in the corresponding period of time. India's total planted area was about 1.13 million hectares in 2015-16.

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 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 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:

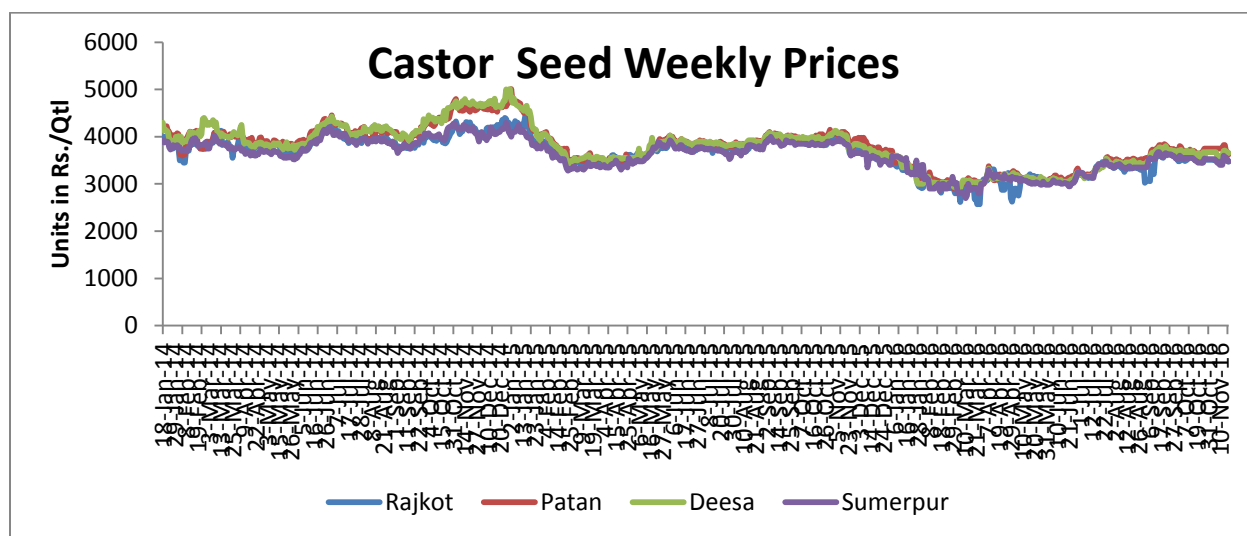
Futures contracts have been suspended on 27th Jan-2016

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:

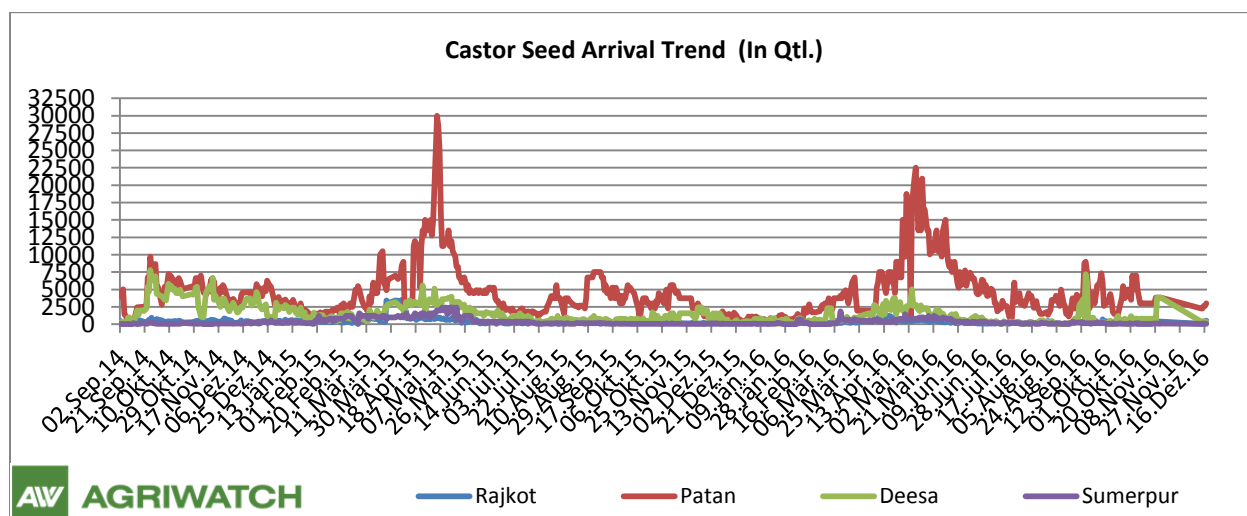
Weekly average prices increased in the markets due to new rules of the government. Arrivals are very low in the market due to less availability of cash in the market.

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.



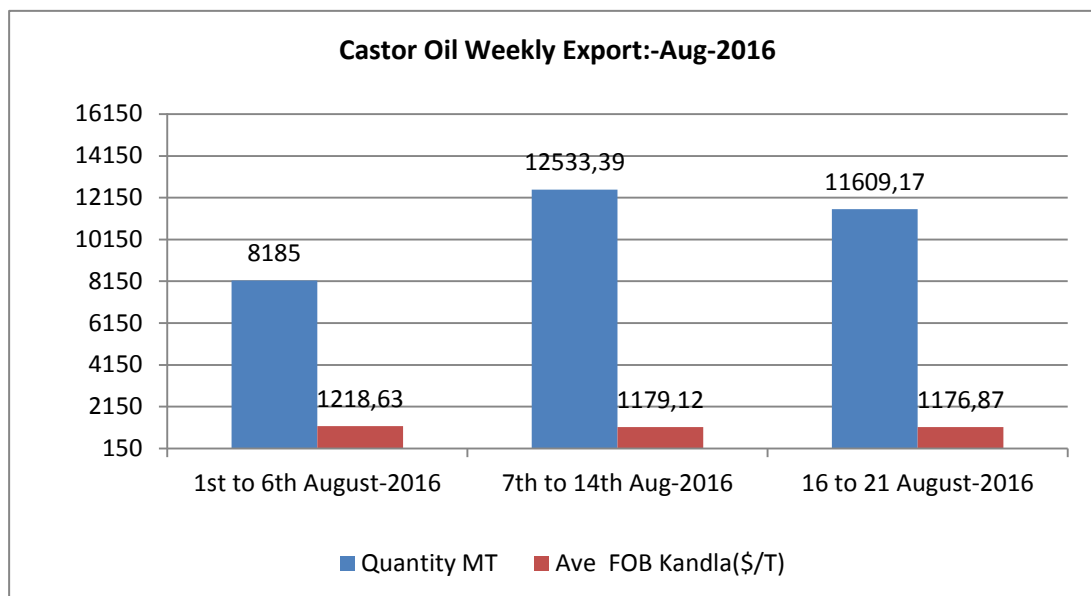
Source: Agriwatch

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.



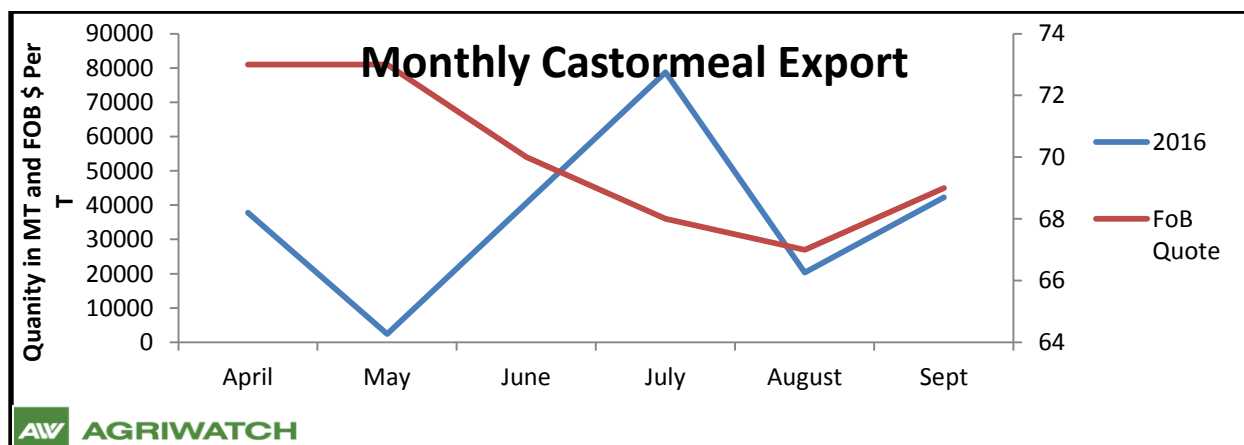
Source: Agriwatch

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

	9th Dec'16	2nd Dec'16	9th Nov'16	9th Dec'15	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	38100	38300	37100	38630	-1.39
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	68	68	66	96	-41.18
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	4450	4500	4350	6174	-38.74
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1195	1190	1170	1197	-0.17
Local rates for oil in domestic market(Rs./M.T.) for comm.	81500	82000	78500	80212	1.58

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		10th to 16th Dec 2016	03rd to 09th Dec 2016	
Gujarat	Patan	3750	3825	-75
	Harij	NR	-	-
	Rajkot	3615	3679	-64
	Gondal	NR	-	-
	Deesa	3694	3752	-58
	Bhabar	NR	-	-
	Mehsana	3721	3753	-33
	Kadi	3741	3774	-33
	Sabarkatha	3710	3760	-50
	Gandhi Nagar	3701	3750	-49
	Ahmedabad (Sanand)	NR	-	-
	Halvad	3638	3611	27
	Junagadh	3708	3753	-45
	Dhrol	NR	-	-
Rajasthan	Jodhpur	3723	3717	6
	Sumerpur	3567	3595	-28

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		16-Dec-16	9-Dec-16	16-Nov-16	16-Dec-15
Gujarat	Patan	3675	Closed	Closed	3750
	Harij	Closed	Closed	Closed	3750
	Rajkot	3515	3700	Closed	3580
	Gondal	NR	NR	3605	3680
	Deesa	3675	NR	Closed	3700
	Bhabar	NR	NR	NR	3720
	Mehsana	3675	3750	Closed	3700
	Kadi	3725	3745	Closed	3750
	Sabarkatha	3650	3700	Closed	3750
	Gandhi Nagar	3625	3700	Closed	3725
	Ahmedabad (Sanand)	NA	NA	NA	3530
	Halvad	3630	3700	Closed	3625
	Junagadh	3700	NA	Closed	3670

	Dhrol	NA	NA	Closed	NA
Rajasthan	Jodhpur	3700	3760	Closed	3730
	Sumerpur	3475	3560	3500	3550

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.

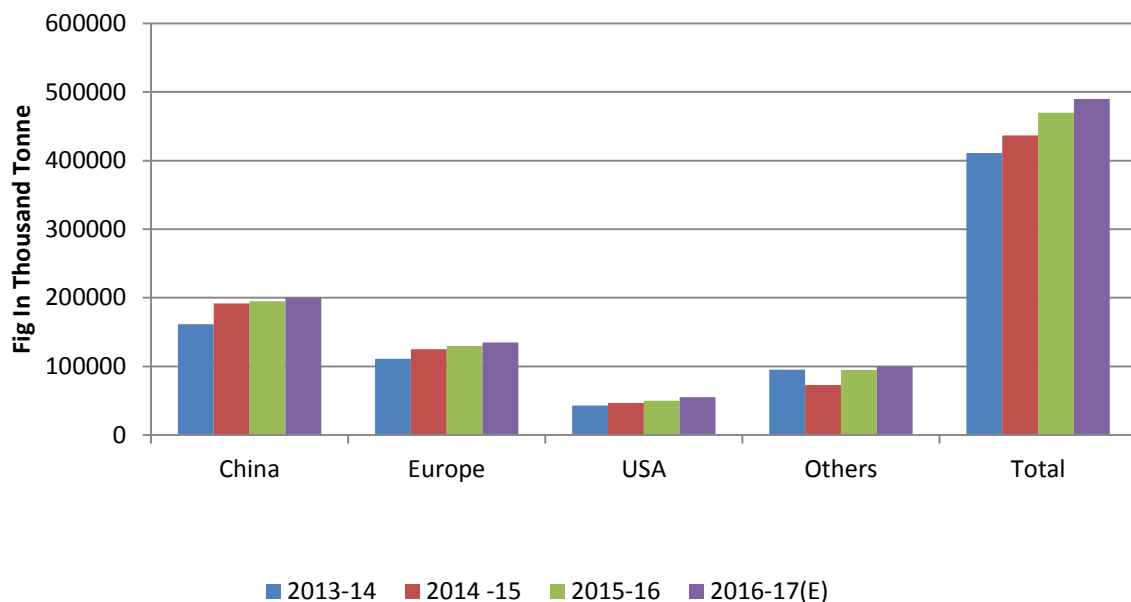
Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	10th to 16th Dec 2016	03rd to 09th Dec 2016	Change
Gujarat	Patan	9750	4125	5625
	Harij	NR	-	-
	Rajkot	940	1570	-630
	Gondal	NR	-	-
	Deesa	1884	1680	204
	Bhabar	NR	-	-
	Mehsana	2550	2438	113
	Kadi	5760	5200	560
	Sabarkatha	600	713	-113
	Gandhi Nagar	2063	2213	-150
	Ahmedabad (Sanand)	NR	-	-
	Halvad	353	459	-107
	Junagadh	360	332	28
	Dhrol	NR	-	-
Rajasthan	Jodhpur	248	126	122
	Sumerpur	640	600	40
Total Arrivals/Above Markets		25147	19455	5692

International market update:

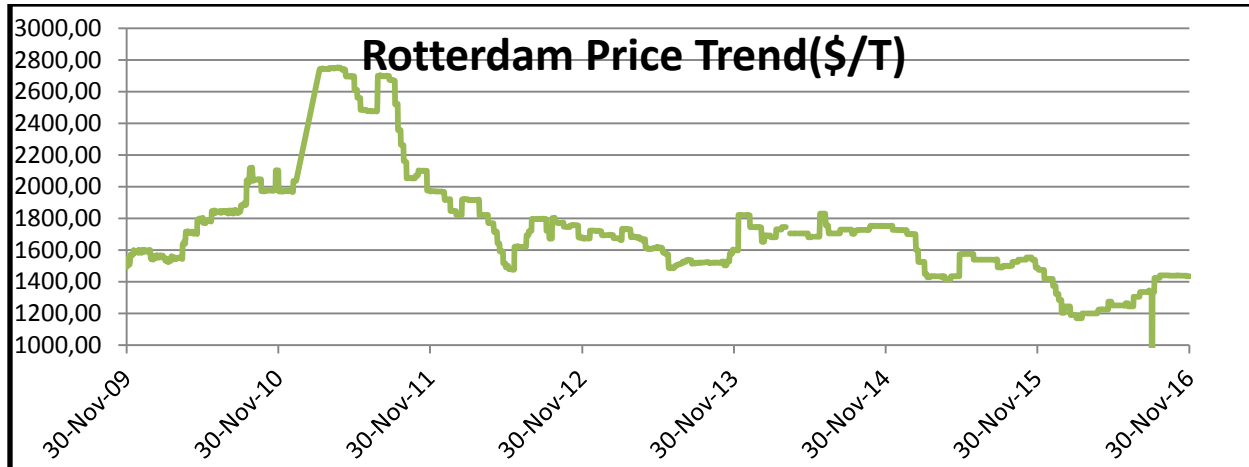
Castor oil export is expected to increase by 4.26 % in 2016-17 as seed price in India is ruling lower by 15 percent from previous year. China and Europe would continue to dominate by buying major chunk of Indian castor oil. Total oil export may touch 5 lakh tonne this year.

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.

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