

Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

- **Mixed trend were seen in Castor Physical market on ups and downs in demand. Low crush margin and lower castor oil demand are affecting to the castor seed prices.** New crop is entering now at maturity stages, especially early sown crop and would start hitting the market from next months, so market is expected to dip from current level. Peak arrival season may be seen in April as usual and preliminary indication shows that yield would be better than last year. So impact of lower area coverage may be nullified by higher yield. However, weather condition in March and April would remain crucial and stake holders need to have a close eye on weather development in growing belts like Rajasthan, Gujarat and MP. Overall outlook remains bearish. We expects castor seed prices to go down for the short period of time.
- **As per recent second advanced estimates of Haryana agriculture department, caster seed crop production, Area and Yield for the season 2016/17 are estimated at 1.3(000 Tonnes), 1 (000 hect.) and 1267 (kgs./ hect.).**
- **Castor oil export decreased by 20.87 percent to 35608 MT in Novemer-2016/17 against 45002 MT in 2015/16 season in the same period of time.** India shipped 21.18% lower castor oil while comparing to 47112 MT in October month during 2016/17 record. Export pace is expected to go down as availability of oil is higher.
- **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.
- **India exported total 41451 tonnes castor meal in November 2016 higher than 31025 tonnes in October 2016.** As seed price is ruling lower, export volume is expected to go up in December-2016 as well. Average castor meal exports (April 2016 to November 2016) is registered down at 294613 T against 337814 T during corresponding period of previous year.FOB quotes for meal has increased at \$101/T in November 2016 from \$87 per tonne during corresponding period of last year. South Korea bought 278157 tonne meal during April- Nov 2016. India castor oil export in November month dropped at 35,608 metric tonnes against 45,002 metric tonnes a year ago. Latest data is awaited.
- **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. Latest data is awaited.
- **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 demand for castor oil. As per latest update by agriculture department, as on September 23,2016 total sowing area of castor seed has reached 10.83 lakh hectares, down by 2.3 per cent against corresponding period of last year record. India's total planted area was about 1.13 million hectares in 2015-16.

Progressive Area Coverage: -

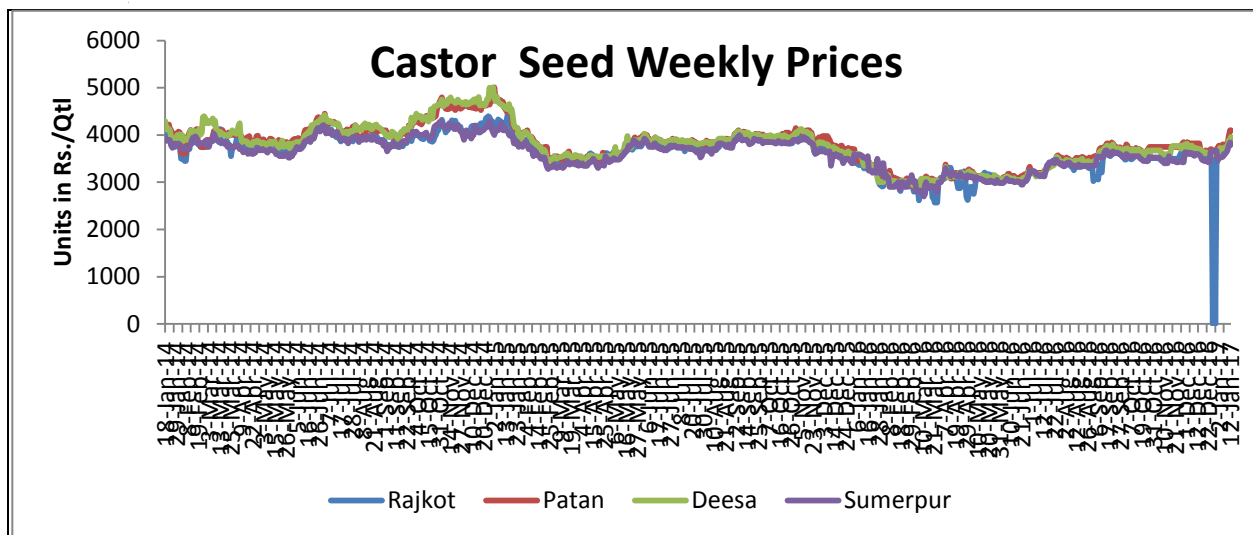
Agricultural Statistics Division, Directorate of Economics & Statistics, India has published its fourth adv estimate for food grains on 2nd August-2016 and estimated 16.50 lakh tonne castor seed production for 2015-16 crop year, to be marketed in MY 2016-17. It has decreased production estimate from 17.75 to 16.50 lakh tonne in fourth Adv estimate. The production target for the year had been fixed at 20.34lakh 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 is likely to move in steady to down zone in the short to medium term. Agriwatch expects steady to downtrend in upcoming weeks due to lackluster demand.

Stake holders in cash market may opt for buying seed around Rs 3700 to 3750 Rs. for stock purpose.

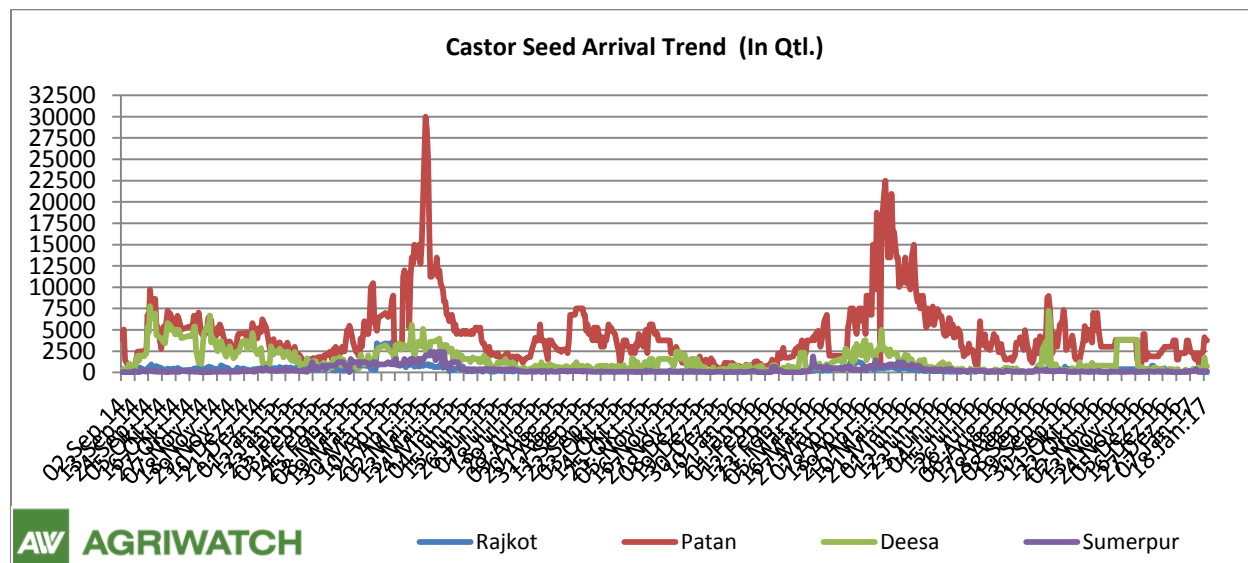
Castor Seed Price Chart:
Price Trend:

Weekly average prices declined in most of the markets due to lower demand and higher pace of arrivals. The expectation of good yield of this season will help to improve the production of castor seed. As a result prices are likely to go down in expectation of improved production and lower demand.



Source: Agriwatch

Castor Seed Arrival Chart: Arrivals improved in the cash market after new crop entries and less problem for cash. Some of the needy farmers have started to bring their stocks in the market due to their financial issue. New crop starts hitting the market with full speed.



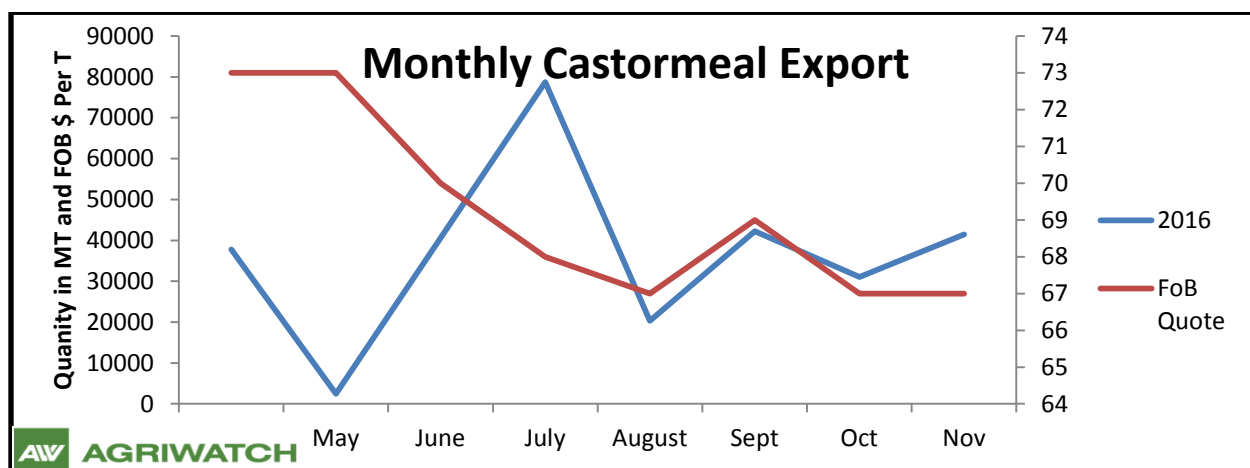
Source: Agriwatch

Castor Oil Export Trend:-

EXPORT OF CASTOROIL								
DURING APRIL TO NOVEMBER 2016 (08 MONTH)								
Month/Year	2016-17		2015-16		2014-15		2013-14	
	Qty MT. Bulk+	Value	Qty MT. Bulk+	Value	Qty MT. Bulk+	Value	Qty MT. Bulk+	Value
	Container	Rs.Cr.	Container	Rs.Cr.	Container	Rs.Cr.	Container	Rs.Cr.
April	45,378	281.90	48,511	353.43	38,661	319.10	39,422	299.15
May	52,133	347.95	46,731	349.60	47,176	381.96	59,900	438.50
June	51,994	346.10	47,257	371.39	45,824	375.22	38,868	298.15
July	38,836	252.31	35,756	288.22	36,766	307.53	57,214	431.94
August	38,497	255.41	37,517	309.07	38,960	333.88	39,196	313.10
September	34,208	250.22	45,105	369.88	34,285	297.57	43,139	337.20
October	47,112	361.31	37,205	301.15	17,600	150.92	31,228	232.15
November	35,608	284.76	45,002	377.39	20,189	174.98	21,307	158.10
December			50,578	422.90	47,104	420.64	38,744	293.45
January			46,250	385.74	36,501	337.60	28,490	244.70
February			46,327	319.90	37,018	311.23	38,974	319.30
March			57,035	349.52	59,294	458.71	35,773	292.50
Total	343,766	2379.96	543,274	4198.19	459,378	3869.34	472,255	3658.24

Source: Sea Of India (Latest Data Awaited)

Castor Meal Export:- India exported total 41451 tonnes castor meal in November 2016 higher than 31025 tonnes in October 2016. As seed price is ruling lower, export volume is expected to go up in December-2016 as well. Average castor meal exports (April 2016 to November 2016) is registered down at 294613 T against 337814 T in previous year during the same period of time. FOB quotes for meal has increased at \$101/T in November 2016 from \$87 per tonne during the corresponding period of last year.. South Korea bought 278157 tonne meal during April- Nov 2016.



source: Sea of India

State Wise Weekly Price Trend:

State wise Wholesale Prices Weekly Analysis for Castor Seed Fourth week December, 2016 (Price in Rs./Quintal)							
State	Prices 16- 23 Jan 2017	Prices 09- 15 Jan 2017	Prices 01- 08 Jan 2017	Prices 16- 23 Jan 2016	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3205.94	3101.88		3303.08	3.35	—	-2.94
Gujarat	3868.42	3853.65		3313.91	0.38	—	16.73
Karnataka	3200	3200		4000	0	—	-20
Maharashtra	2000				—	—	—
Rajasthan	3697.27	3507.01		3076.82	5.43	—	20.17
Telangana	3313.18	3291.25		3213.93	0.67	—	3.09
Average	3214.14	3390.76	NA	3381.55			

Source: Agmarket.net

Cash Market Price Outlook For Deesa Spot

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	3700-3750	3800-3850
Medium Term (30 days)	3800-3900	3900-4200

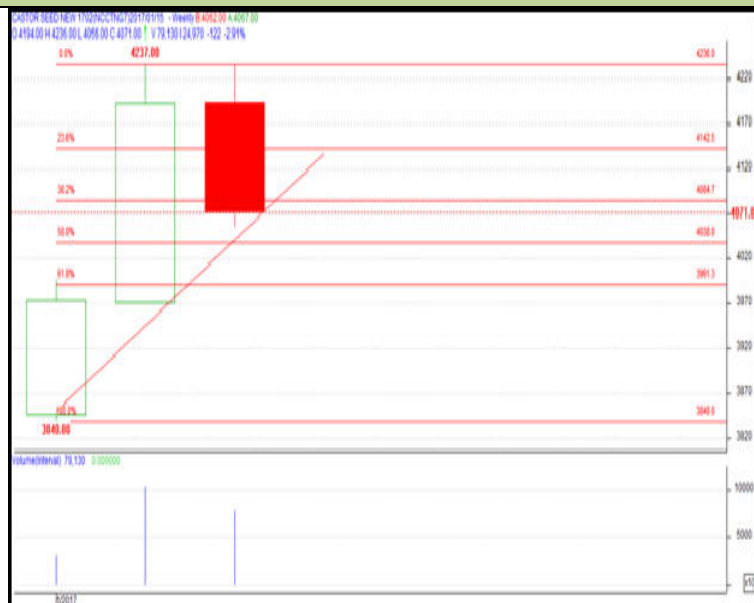
Comparative Prices Of Castor Products Including Seed

	13th Jan Dec'17	6thDec'16	13th Jan'17	16th Jan'16	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	40750	38400	38150	35043	14.00
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	65	65	67	87	-33.85
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	4300	4350	4400	5743	-33.56
Castor Oil (First Grade) FOB Kandla (Export)\$/Tonne	1245	1185	1195	1053	15.42
Local rates for oil in domestic market(Rs./M.T.) for comm.	84500	81000	81000	73957	12.48

Source: SEA.

Technical Analysis:
Castor – Technical Outlook
Technical Commentary:

- Prices are likely to go down in upcoming week after declining in demand and slow buying activities in the market.
- Volume is also lower which may curb castor seed prices further to rise.


Strategy: Buy on Lower Side

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	Feb	3800	3950	4071	4260	4300
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Feb	Buy	4050	4200	4250	3980

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		14th Jan.17 to 20th Jan.17	7th Jan.17 to 13th Jan.17	
Gujarat	Patan	3940	3929	11
	Harij	3913	3877	36
	Rajkot	3330	3768	-438
	Gondal	NR	3805	-
	Deesa	3923	3818	105
	Bhabar	NR	NR	-
	Mehsana	3895	3869	26
	Kadi	3972	3925	47
	Sabarkatha	3945	3847	98
	Gandhi Nagar	3927	3881	46
	Ahmedabad (Sanand)	NA	3748	-
	Halvad	3874	3722	152
	Junagadh	3440	3800	-360
	Dhrol	3610	3415	195
Rajasthan	Jodhpur	3826	3760	66
	Sumerpur	3785	3720	65

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		20-Jan-17	13-Jan-17	20-Dec-16	20-Jan-16
Gujarat	Patan	3850	4100	3675	3375
	Harij	3875	4000	3690	3400
	Rajkot	NR	3845	3545	3285
	Gondal	NR	3930	NA	3355
	Deesa	3930	3955	3635	3370
	Bhabar	NR	NR	NR	3360
	Mehsana	3850	3975	3625	3325
	Kadi	3925	4025	3650	3410
	Sabarkatha	3900	3975	3600	3350
	Gandhi Nagar	3875	4000	3660	3400
	Ahmedabad (Sanand)	NA	NA	3345	3290
	Halvad	3910	3870	3510	3275
	Junagadh	NR	3870	3560	3380
	Dhrol	NA	NA	NA	3060

Rajasthan	Jodhpur	3820	3820	3690	3420
	Sumerpur	3730	3800	3450	3250

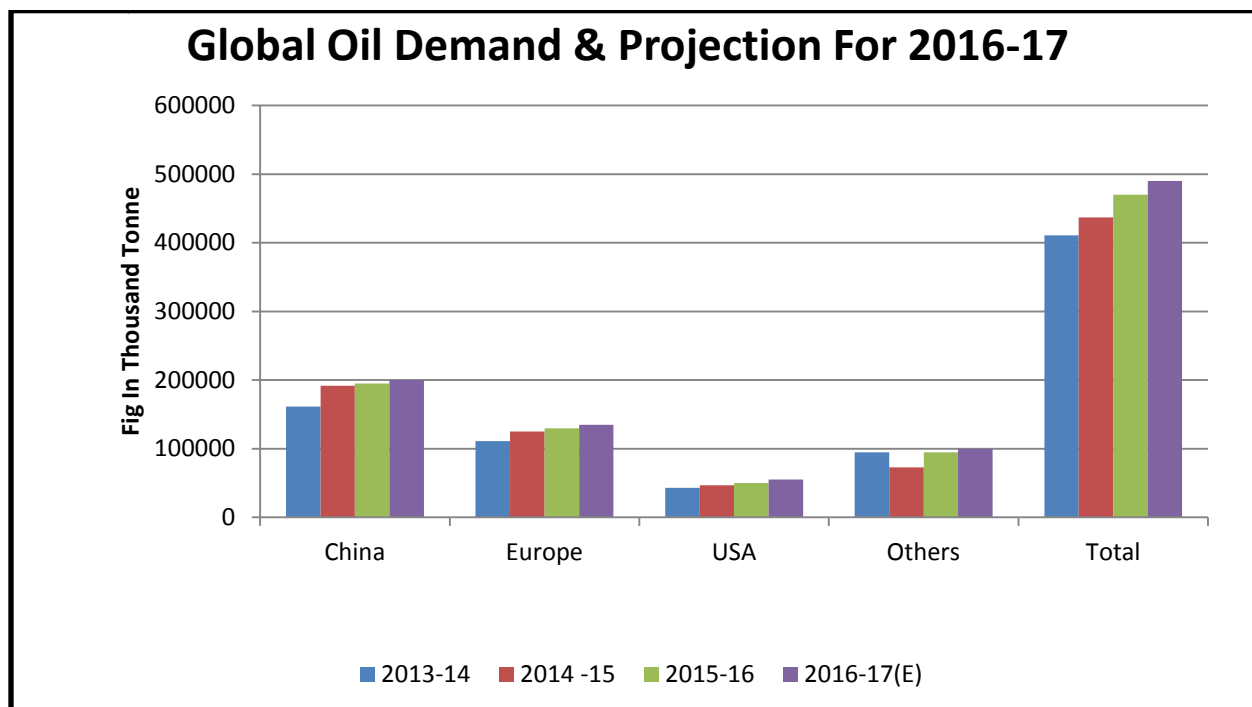
Castor Seed Cumulative Arrivals in Key Centers:				
Center	Market	14th Jan.17 to 20th Jan.17	7th Jan.17 to 13th Jan.17	Change
Gujarat	Patan	16275	12300	3975
	Harij	1950	2175	-225
	Rajkot	200	1340	-1140
	Gondal	NR	1719	-
	Deesa	4335	1797	2538
	Bhabar	NR	NR	-
	Mehsana	1650	2138	-488
	Kadi	10724	10240	484
	Sabarkatha	488	525	-37
	Gandhi Nagar	1875	1650	225
	Ahmedabad (Sanand)	NA	22	-
	Halvad	1050	1688	-638
	Junagadh	75	330	-255
	Dhrol	5	667	-662
Rajasthan	Jodhpur	401	379	22
	Sumerpur	880	1280	-400
Total Arrivals/Above Markets		39908	38248	1660

Outlook & Recommendation:

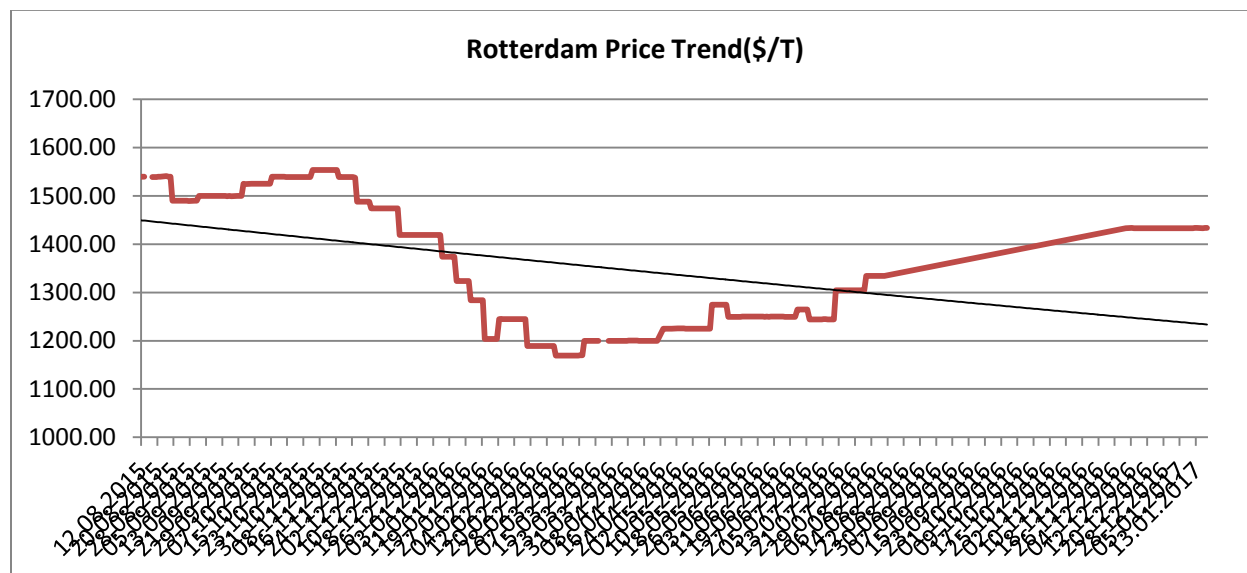
Castor seed market is expected to trade steady to lower trend in the fourth week of January 2017 as demand is likely to improve after lower crop estimation. Availability for crushing is lower as farmers have retained stock. Fear of lower acreage may lend support to cash market fundamentals in the long term. However, arrival pressures and lower demand will affect coffee prices to go down.

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 slight up from previous week to the current week in January 2017. It slightly higher from \$1433.30 per tonne to \$1433.60 per tonne. It is likely to trade upside during the last week of January 2017.



Source: Agriwatch

Outlook:

Demand from global market is likely to go down 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 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 in the long term. For short term, prices are expected to be move in the range bound to down zone due to low demand and higher arrivals pace.

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