

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:-

- **Mostly firm tone is witnessed in the castor physical markets due to good demand with lower supplies.** Buyers are aggressive in the market. Sellers are seen in wait and watch condition for further hike. Stockiest and millers are active in the market further to buy raw materials. In the long run, prices may go up in the long term as lower production estimates of this season.
- India exported castor meal higher at 30312 tonnes in February 2017 than 5263 tonnes in January 2017. However, Castor meal exports volume is expected to go down in upcoming month on lower demand majorly in international markets. Average castor meal exports (April 2016 to February 2017) is registered higher at 414311 T against 367979 T in previous year during the same period of time. FOB quotes for meal stood down by 12.30% to \$57/T in February 2017 against \$65/T during the corresponding period of last year. South Korea bought 333576 tonne meal during April-February 2017.
- According to the Solvent Extractors' Association of India (SEA), Castor seed production in 2016/17 is expected to stand down by 19% to 11.3 lakh tonnes compared to 14 lakh tonnes in previous year. While, castor seed production for 2016/17 is placed down at 17.38 lakh tonnes against previous year record i.e. 17.52 lakh tonne as per the second advance estimates by the ministry of agriculture department.
- Castor oil export of India decreased by 3.44 percent to 34380 MT during December-2016/17 season against 35608 MT in 2015/16 season in the same period of time. Total coffee exports of 2016/17 so far is registered down by 30.39% to 378146 as compared to 543274 MT in the same period of time in last year. Export pace is expected to go down as availability of oil is higher and slow buying activities in international market. India exported castor oil at Rs.272.74 crore per tonne in December-2016, down by 4.22% from previous month record. Total FoB quote of this season 2016/17 stood at Rs. 2652.70 crore compared to Rs. 4198.19 crore in previous season.
- As per recent second advanced estimates of Haryana agriculture department, castor 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.).
- This year preliminary Agriwatch estimate for 2017/18 shows 10. 67 lakh tonne production based on farmers feedback and initial field survey in Gujarat, Rajasthan and AP. Area in Gujarat is likely to decline by over 20 % from 6.20 to 4.96 lakh ha. Overall decline in Rajasthan may be 5% and area would decline from 2.30 to 1.84 lakh ha. In AP / Telangana it may decline by 20 percent to 1.06 lakh ha. As weather remains favorable Agriwatch expects normal yield this year. Based on normal yield seed production may decline to 10.67 lakh tonne given the normal weather condition. Agriwatch would revise preliminary estimate in November-2017.

Outlook & Recommendation:- Overall market sentiment is likely to go up in the short to medium term. Agriwatch expects remain uptrend in upcoming weeks after good demand.

Stake holders in cash market may opt for buying seed around Rs. 4750-48200 Rs. for stock purpose.

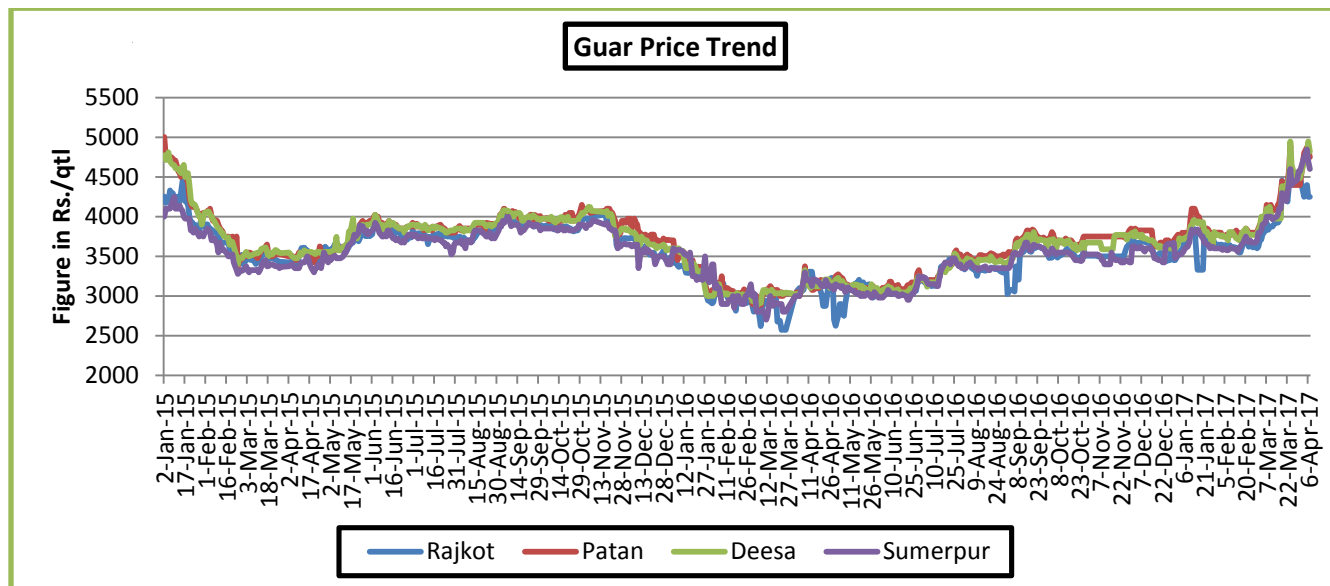
International Market Update:

- **FOB quotes In Kandla has decreased considerably from \$1470 to \$1450 per tonne** in last two weeks and it is likely to rule in the range of \$1440 to \$1445 in the remaining week of December.
- **Demand from China, EU, US and Japan is expected to remain weak till January.** Major players would buy only need based buying until arrival gets its peak.
- **Total export of oil this year may decreased to 4 lakh tonne** from January to December)
- **Overall market sentiment** remains steady to slightly firm in Dec.

Domestic market Outlook: Higher arrivals may pressurize market and dip is expected in the coming weeks.

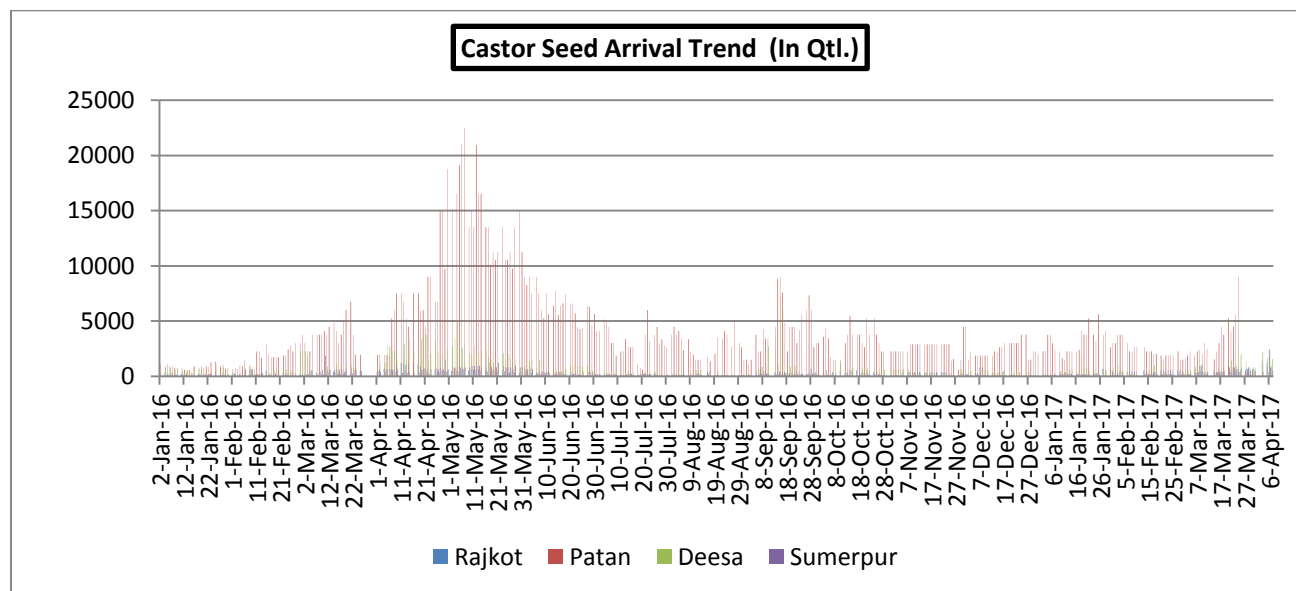
Castor Seed Price Trend Chart:-

Ups and downs trend were seen during this week ahead lower arrivals and good demand. Despite good yield of this season, production is likely to decrease which will help to increase price in long term. On Weekly front, prices are likely to go up supported by good demand.



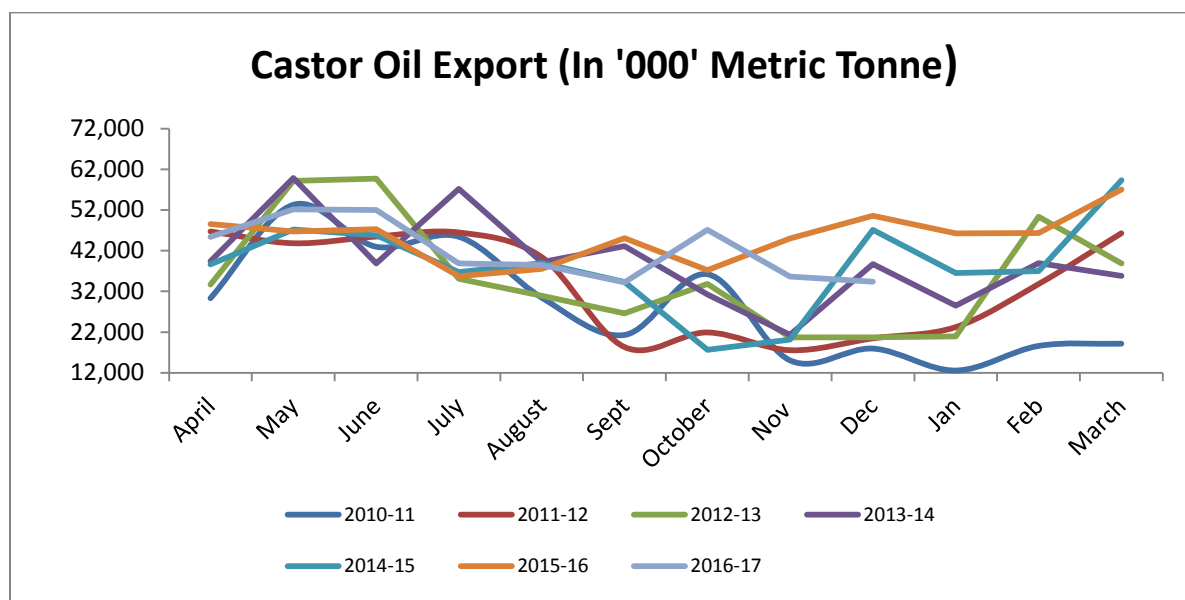
Source: Agriwatch

Castor Seed Arrival Chart: Arrivals are registered lower side as sellers are waiting further good prices in the market. Crushers and millers are very active in the market. Arrivals are likely to go up in the upcoming week after good prices.

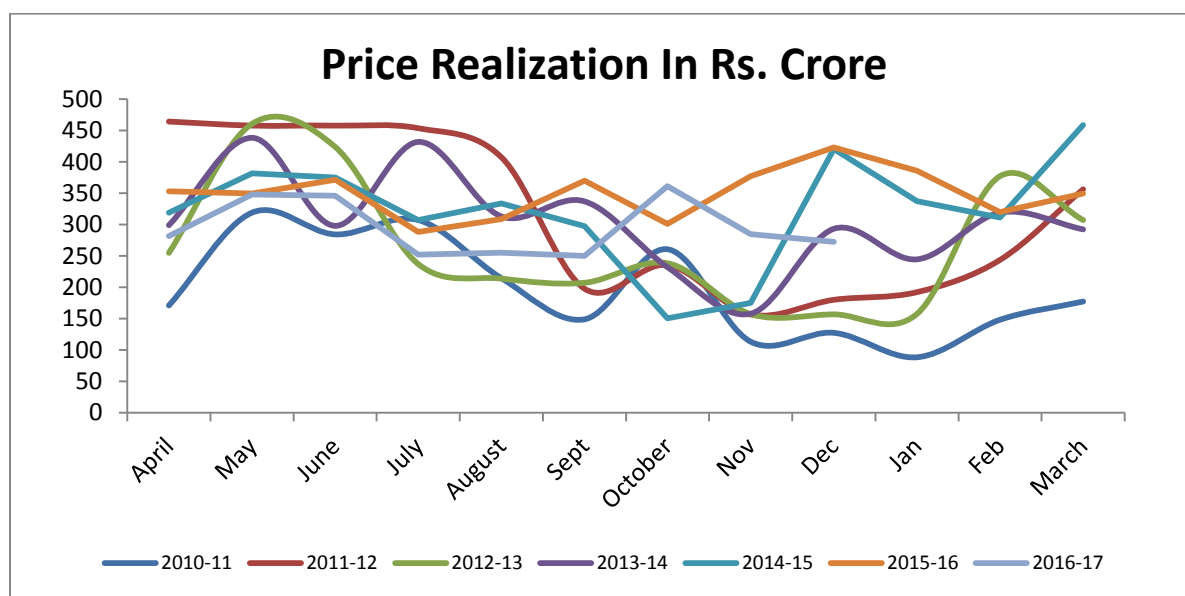


Source: Agriwatch

Castor Oil Export Trend:-

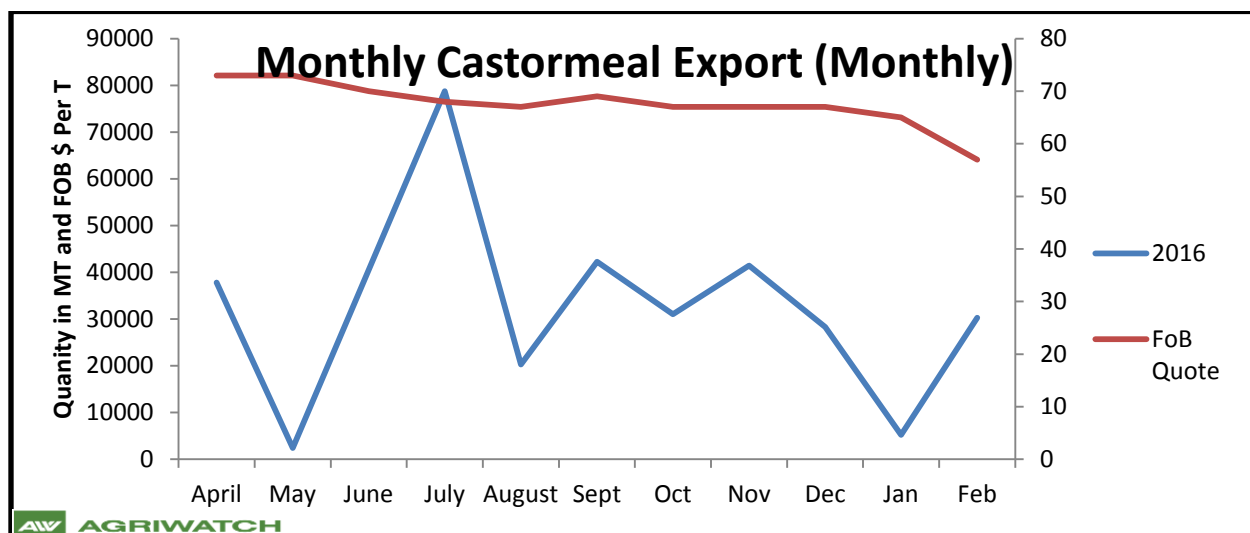


Source: Sea Of India



Source: Sea Of India

Castor Meal Export:- India exported castor meal higher at 30312 tonnes in February 2017 than 5263 tonnes in January 2017. However, Castor meal exports volume is expected to go down in upcoming month on lower demand majorly in international markets. Average castor meal exports (April 2016 to February 2017) is registered higher at 414311 T against 367979 T in previous year during the same period of time. FOB quotes for meal stood down by 12.30% to \$57/T in February 2017 against \$65/T during the corresponding period of last year. South Korea bought 333576 tonne meal during April- February 2017.



source: Sea of India

State wise Wholesale Prices Weekly Analysis for Castor Seed 01st week April, 2017

State	Prices 01-08 Apr 2017	Prices 24-31 Mar 2017	Prices 16-23 Mar 2017	Prices 01-08 Apr 2016	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4083.26	3962.36	3840.8	3090.47	3.05	6.31	32.12
Gujarat	4722.11	4592.79	4364.83	3018.09	2.82	8.19	56.46
Karnataka	3584.8	3617.39	3462.5	1887.5	-0.9	3.53	89.92
Maharashtra	3601.88	3525.45	3117.69	2907.14	2.17	15.53	23.9
Rajasthan	4647.33	4570.79	4204.26	3151.14	1.67	10.54	47.48
Tamil Nadu	4014.63	4150	2678.29	3431.69	-3.26	49.9	16.99
Telangana	4092.27	3983.85	4040.43	3168.49	2.72	1.28	29.16
Average	3868.28	4057.52	3672.69	2950.65			

Source: Agmarket.net (Prices in Rs./Qtl)

Cash Market Price Outlook For Deesa Spot

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	4750-5000	4850-5250
Medium Term (30 days)	5000-53000	5200-5500

Comparative Prices Of Castor Products Including Seed

	31th Mar'17	24th Mar'17	28th Feb'17	31th Mar'16	CHANGE %
Castor seed (Gujarat)((Rs./M.T) Ex-Mandi	NQ	50150	38900	31029	-
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	63	63	62	74	-17.46
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	4100	4050	4050	4856	-18.44
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1590	1650	1230	946	40.50
Local rates for oil in domestic market(Rs./M.T.) for comm.	103000	105000	83000	64448	37.43

Source: SEA.

Technical Analysis:
Castor – Technical Outlook
Technical Commentary:

- Prices are likely to go up in upcoming week supported by active buying activities in the market.
- Unlikely lower Volume and higher prices indicates short covering phase of the market.


Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	Apr	4500	4640	4855	5200	5430
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Apr	Buy	4825	4905	4950	4800

Castor Seed- Balance Sheet for 2017-18

Agriwatch estimates for 2016/17 is remain same. Production shows around 14.42 percent lower side this year against 2015/16 season due to crop shifting from castor seed to other lucrative crops. Over all area would decline from 11.18(normal) to 9.90 lakh ha this year. The estimate is based on initial ground level survey and feedback received from farmers. Agriwatch expects above normal rainfall this year and hopes normal yield too. Based on normal yield realization seed production would decline from 15.12 to 12.69 lakh tonne this year.

The season started with 5.91 lakh tonne as carryout. Thus total availability for current marketing year comes to 18.6 lakh tonne if estimated production of 12.69 lakh tonne is included. Lower production would drag carryout down from 5.91 to 5.35 lakh tonne. It would push seed price up in second and third quarter.

Preliminary Forecast For 2017-18

All units in lakh tonnes	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Apr-Jun	July-Sep	Oct-Dec	Jan-Mar
Carry in	5.8	6.84	6.04	5.54	5.91	5.35	5.35	9.65	5.00	1.90
Production	13.04	11.7	13	15.12	12.94	10.5	10.5	0	0	0
Imports	0	0	0	0	0	0	0	0	0	0
Total Availability	18.84	18.54	19.04	20.66	18.85	15.85	15.85	9.65	5.00	1.90
Consumption	12	12.5	13.5	14.75	13.5	15.5	6.2	4.65	3.1	1.55
Exports	0	0	0	0	0	0	0	0	0	0
Total Usage	12	12.5	13.5	14.75	13.5	15.5	6.2	4.65	3.1	1.55
Carry out	6.84	6.04	5.54	5.91	5.35	0.35	9.65	5.00	1.90	0.35
Av Monthly Consumption	1.00	1.04	1.13	1.23	1.13	1.29	2.07	1.55	1.03	0.52
Stock to Month Use	6.84	5.80	4.92	4.81	4.76	0.27	4.67	3.23	1.84	0.68
Stock to Consumption Ratio	0.570	0.483	0.41	0.40	0.40	0.02	1.56	1.08	0.61	0.23

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Castor Seed Weekly Prices at Key Spot Markets:

Commodity	Market	Price (Rs/ Quintal)		Change
Center		01st to 07th April 17	25th to 31th March 17	
Gujarat	Patan	4820	4400	420
	Harij	4819	4550	269
	Rajkot	4636	Closed	-
	Gondal	4590	4430	160
	Deesa	4809	4552	257
	Bhabar	NR	4845	-
	Mehsana	4800	4475	325
	Kadi	4822	4575	247
	Sabarkatha	4771	4558	213
	Gandhi Nagar	4819	4600	219
	Ahmedabad (Sanand)	4815	4479	336
	Halvad	4731	4810	-79
	Junagadh	4641	4515	126
	Dhrol	4458	Closed	-
Rajasthan	Jodhpur	4776	4588	188
	Sumerpur	4709	4470	239

Week on Week Price: Scenario of Castor Seed :

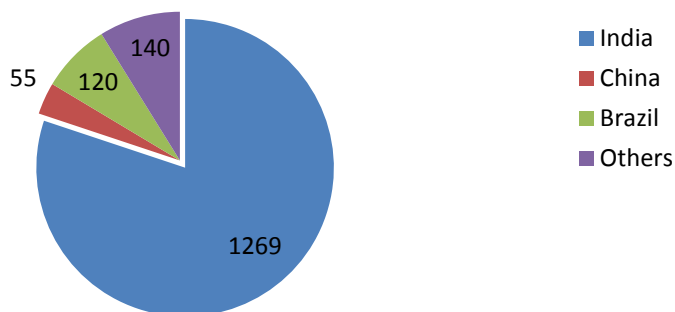
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		7-Apr-17	31-Mar-17	7-Mar-17	7-Apr-16
Gujarat	Patan	4750	4400	4150	3175
	Harij	4775	4550	4150	3200
	Rajkot	4660	4760	3925	3080
	Gondal	4730	4430	3930	3105
	Deesa	4800	4485	4100	3225
	Bhabar	NA	4845	3775	3170
	Mehsana	4750	4475	4170	3100
	Kadi	Closed	4575	4170	3115
	Sabarkatha	4535	4500	4090	3100
	Gandhi Nagar	4750	4600	4175	3200
	Ahmedabad (Sanand)	4815	4425	4130	2975
	Halvad	4800	4810	3660	3000
	Junagadh	4610	4515	4000	3145
	Dhrol	4410	4455	3765	3120
Rajasthan	Jodhpur	4740	4640	4060	3000
	Sumerpur	4600	4575	4000	3200

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	01st to 07th April 17	25th to 31th March 17	Change
Gujarat	Patan	14013	11250	2763
	Harij	6525	3750	2775
	Rajkot	6100	Closed	-
	Gondal	9482	1910	7572
	Deesa	8620	4216	4404
	Bhabar	NR	NR	-
	Mehsana	3825	1875	1950
	Kadi	14880	2640	12240
	Sabarkatha	1575	1575	Unch
	Gandhi Nagar	4425	1125	3300
	Ahmedabad (Sanand)	80	194	-114
	Halvad	1163	300	863
	Junagadh	595	40	555
	Dhrol	136	Closed	-

Rajasthan	Jodhpur	255	345	-90
	Sumerpur	2560	2560	Unch
Total Arrivals/Above Markets		74234	31780	42454

Castor Seed Global Production In Thousand Tonne 2016-17(Est.)**



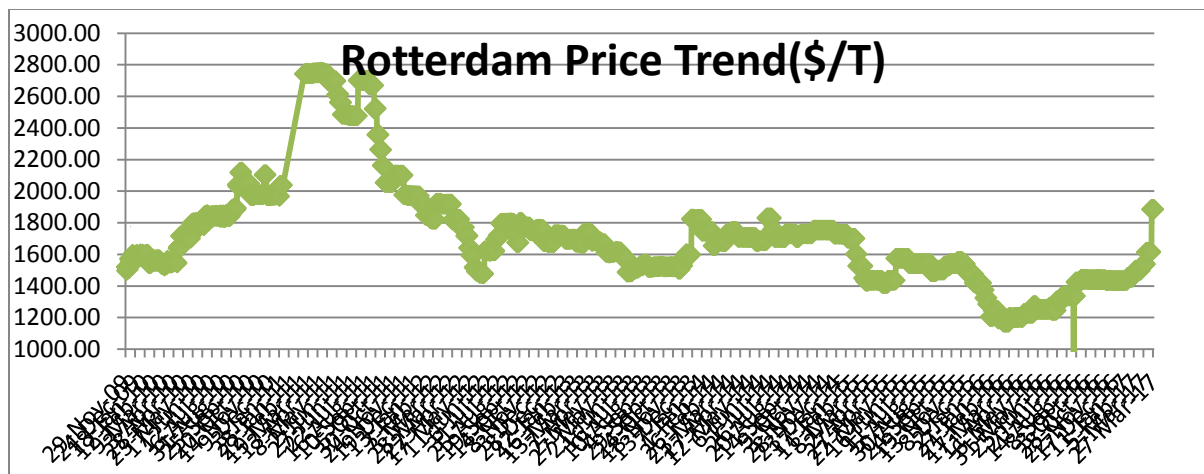
Outlook & Recommendation:

Castor seed market is likely to continue up in the first week of April 2017 as demand is going to remain up. Millers and crushers are likely to be active in the market. Less arrivals pace and improved oil demand will support castor prices hike further.

International market update:

There is no change in Global Castor Seed supply –demand side. Production is expected to decrease from 18.37 lakh tonne to 15.84 lakh tonne in 2016-17 due to lower crop size expected in India this year. Total availability for seed would decrease to 20 lakh tonne including Indian carryout stock of 5.91 lakh tonne. Normal demand for oil and decreasing seed stock in India would continue to push seed price up in India. India dominates global market in seed production with 90 percent contribution. The given diagram shows production contribution of various countries. As production in India is likely to decrease, availability for seed would contract in the third quarter of the year.

Rotterdam Price:- Castor oil Rotterdam Price slightly decreased in this week against previous week record to the fourth week of March 2017. It stood as \$1883.70 per tonne against 1613.80. It is likely to trade upside in upcoming days.



Source: Agriwatch

Outlook:

Demand from global market is likely to go up in the short term as major buyers like China, EU and USA may start to buy Castor oil. However, they are in a position to bargain now. Relatively, 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 higher zone due to improved demand amid higher arrivals pace.

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