

# 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 weak tone is witnessed in the castor physical markets this week due to frail demand with higher supplies. Buyers are quiet 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. In the long run, prices may go up in the long term as lower production estimates of this season.
- In second week, all India arrival of castor seed is 118171 quintals which is 43938 quintals higher than last week arrival of 74234 quintals.
- 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.

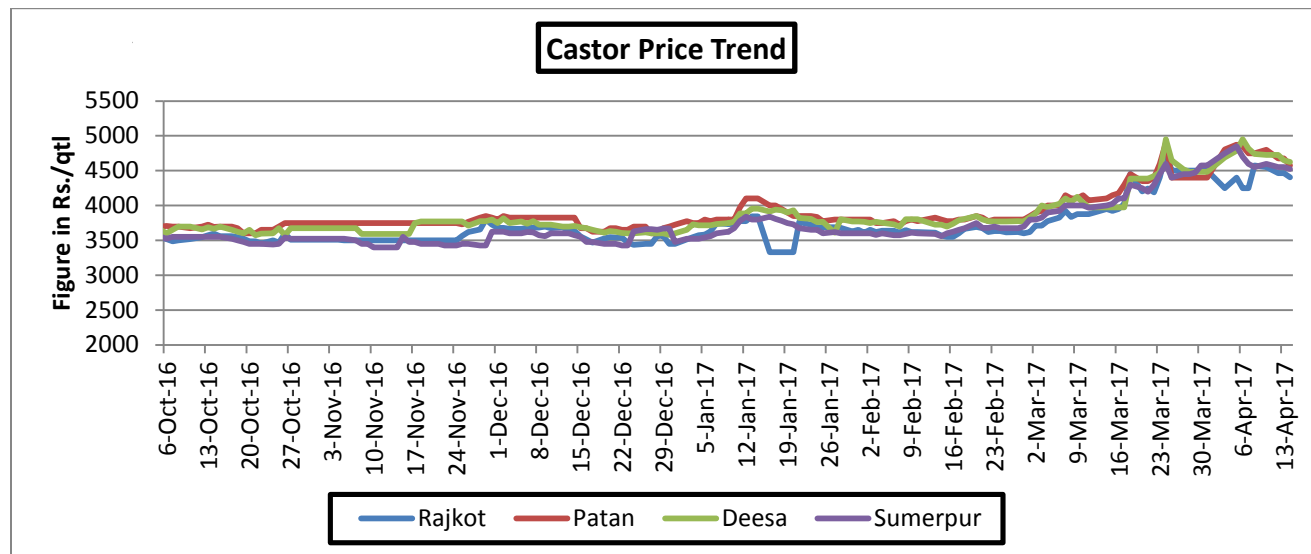
**International Market Update:**

- 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.

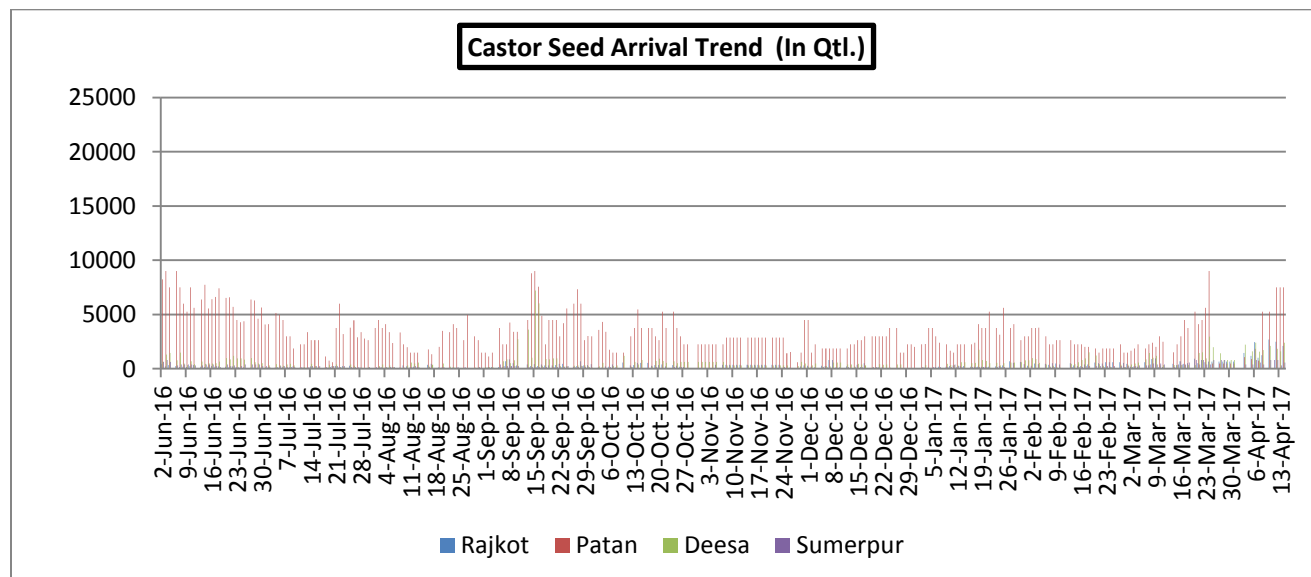
### Castor Seed Price Trend Chart:-

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.



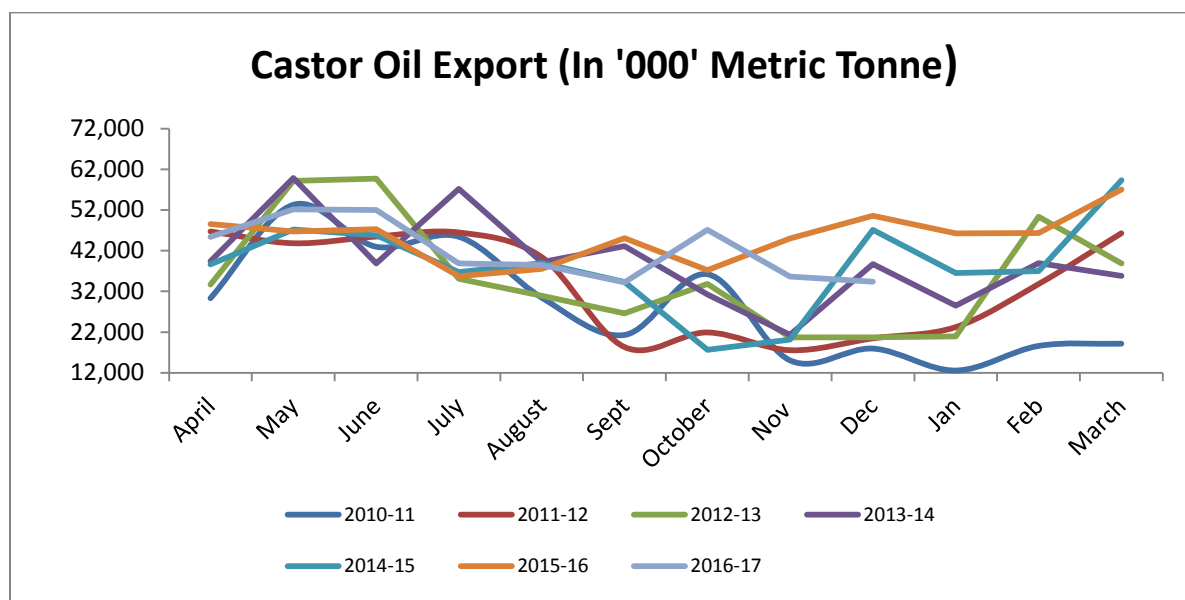
Source: Agriwatch

**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.

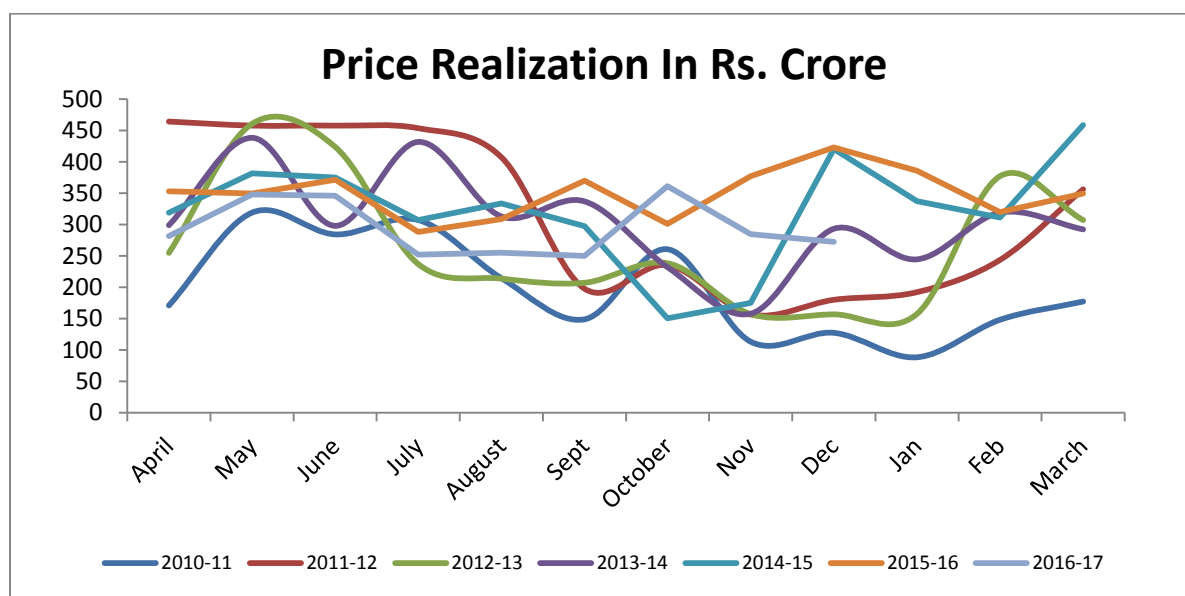


Source: Agriwatch

**Castor Oil Export Trend:-**

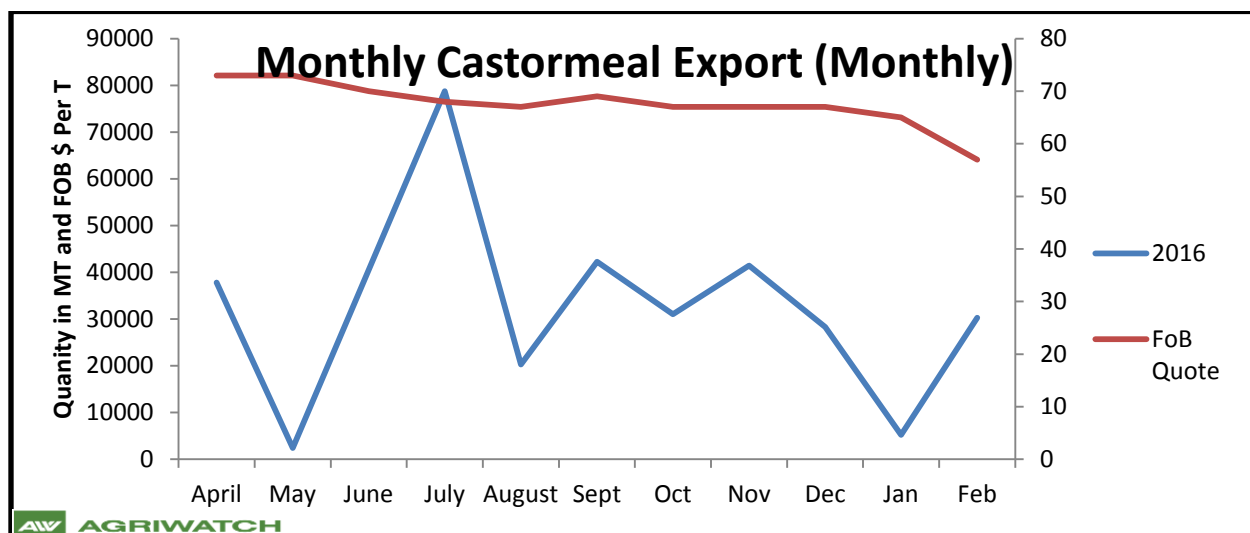


Source: Sea Of India



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 01<sup>st</sup> 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**

	7th Apr'17	31st Mar'17	7th Mar'17	7th April'16	CHANGE %
Castor seed (Gujarat)((Rs./M.T) Ex-Mandi	48300	NQ	42050	31981	<b>33.79</b>
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	63.00	63.00	60.00	73.00	<b>-15.87</b>
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	4100	4100	3850	4817	<b>-17.49</b>
Castor Oil (First Grade) FOB Kandla (Export)\$/Tonne	1610	1590	1330	990	<b>38.51</b>
Local rates for oil in domestic market(Rs./M.T.) for comm.	104000	103000	88000	67528	<b>35.07</b>

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.



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	<b>6.84</b>	<b>6.04</b>	<b>5.54</b>	<b>5.91</b>	<b>5.35</b>	<b>0.35</b>	<b>9.65</b>	<b>5.00</b>	<b>1.90</b>	<b>0.35</b>
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

Agriwatch

**Castor Seed Weekly Prices at Key Spot Markets:**

Commodity	Market	Price (Rs/ Quintal)		Change
Center		8th to 14th April 17	01st to 07th April 17	
<b>Gujarat</b>	Patan	4695	4820	<b>-125</b>
	Harij	4680	4819	<b>-139</b>
	Rajkot	4499	4636	<b>-138</b>
	Gondal	4583	4590	<b>-7</b>
	Deesa	4693	4809	<b>-116</b>
	Bhabar	NR	NR	-
	Mehsana	4669	4800	<b>-131</b>
	Kadi	4773	4822	<b>-48</b>
	Sabarkatha	4725	4771	<b>-46</b>
	Gandhi Nagar	4750	4819	<b>-69</b>
	Ahmedabad (Sanand)	4690	4815	<b>-125</b>
	Halvad	4797	4731	<b>66</b>
	Junagadh	4563	4641	<b>-78</b>
	Dhrol	4298	4458	<b>-161</b>
<b>Rajasthan</b>	Jodhpur	4652	4776	<b>-124</b>
	Sumerpur	4563	4709	<b>-147</b>

## Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		14-Apr-17	7-Apr-17	14-Mar-17	14-Apr-16
Gujarat	Patan	4575	4750	4100	3075
	Harij	4675	4775	4110	3075
	Rajkot	4405	4660	3950	3190
	Gondal	4525	4730	3830	3205
	Deesa	4625	4800	3975	3130
	Bhabar	NA	NA	3975	3080
	Mehsana	Closed	4750	4075	3075
	Kadi	Closed	Closed	4105	3075
	Sabarkatha	4675	4850	4075	3085
	Gandhi Nagar	Closed	4750	4075	3150
	Ahmedabad (Sanand)	4575	4565	4075	3055
	Halvad	4805	4800	4010	3050
	Junagadh	Closed	4610	3950	3185
	Dhrol	4185	4410	3675	3200
Rajasthan	Jodhpur	4620	4740	4040	3320
	Sumerpur	4525	4600	4000	3215

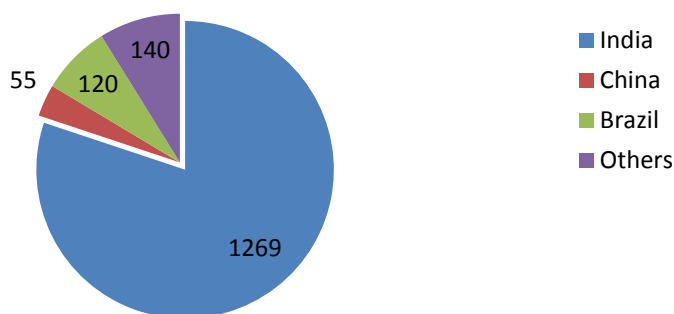
## Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	8th to 14th April 17	01st to 07th April 17	Change
Gujarat	Patan	33000	14013	18987
	Harij	9000	6525	2475
	Rajkot	8550	6100	2450
	Gondal	13109	9482	3627
	Deesa	9677	8620	1057
	Bhabar	NR	NR	-
	Mehsana	5250	3825	1425
	Kadi	19960	14880	5080
	Sabarkatha	4200	1575	2625
	Gandhi Nagar	6375	4425	1950
	Ahmedabad (Sanand)	358	80	278
	Halvad	1294	1163	131
	Junagadh	3035	595	2440
	Dhrol	249	136	113
Rajasthan	Jodhpur	435	255	180
	Sumerpur	3680	2560	1120
Total Arrivals/Above Markets		118171	74234	43938



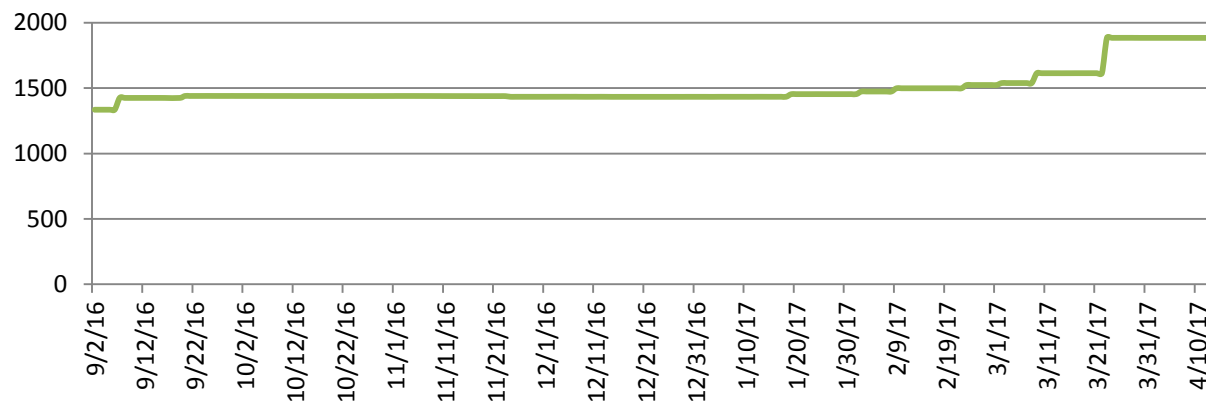
**Outlook & Recommendation:**

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.

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

**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.

**Rotterdam Price Trend(\$/Ton)**


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 move in the range bound to higher zone due to improved demand amid higher arrivals pace.*

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> © 2017 Indian Agribusiness Systems Pvt Ltd.