



Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

- Castor cash markets traded mixed this week with lower arrival from major markets. Pressure is unlikely to continue by June onwards as crop size is lower and carry stock from old crop is dwindling fast. Buyers will likely to active at every dip. Overall sentiments remain range bound.
- In second week of June, all India arrival of castor seed is 38552 quintals which is 11374 quintals lower than last week arrival of 49927 quintals.
- Castor Oil export in May, 17 was expected at 43,500 MT versus 55,000 MT of last month and 46,140 MT of May, 2016. High unpredictability in price keep the exporter away from markets. Exports for the period of Jan-May are reported lower by 4.3% at 2.12 lakh tons.
- According to the Solvent Extractors' Association of India (SEA), Castor seed production in 2016/17 is expected to stand down by around 25% to 10.55 lakh tonss compared to 14 lakh tonss in previous year. While, castor seed production for 2016/17 is placed down at 15.54 lakh tonss against previous year record i.e. 17.52 lakh tons as per the second advance estimates by the ministry of agriculture department.
- Castor seed Acreage for MY-2017-18 in Gujarat is likely to up by 8.5%, in Rajasthan by 5.5% but in Andhra/Telangana acreage is likely to down by 12%. Overall acreage is expected to increase by 5-7%. other alternatives crop like Moong, Moth and cotton which has better price is likely to keep area down than expected.
- This year preliminary Agriwatch estimate for 2017/18 shows 10. 67 lakh tons 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 tons given the normal weather condition. Agriwatch would revise preliminary estimate in November-2017.

Outlook & Recommendation:

Overall market sentiment is likely to go steady to slightly up in the medium, however price will move in range bound to some extent in near term due to arrival pressure.

Stake holders in cash market may opt for buying seed around Rs. 4200-4450 Rs. for stock purpose.

International Market Update:

- FOB quotes In Kandla has decreased considerably from \$1575 to \$1565 per tons in last one week.
- Demand from China, EU, US and Japan is expected to remain steady till June. Major players would buy only need based buying until arrival gets its peak.
- Overall market sentiment remains steady in June.

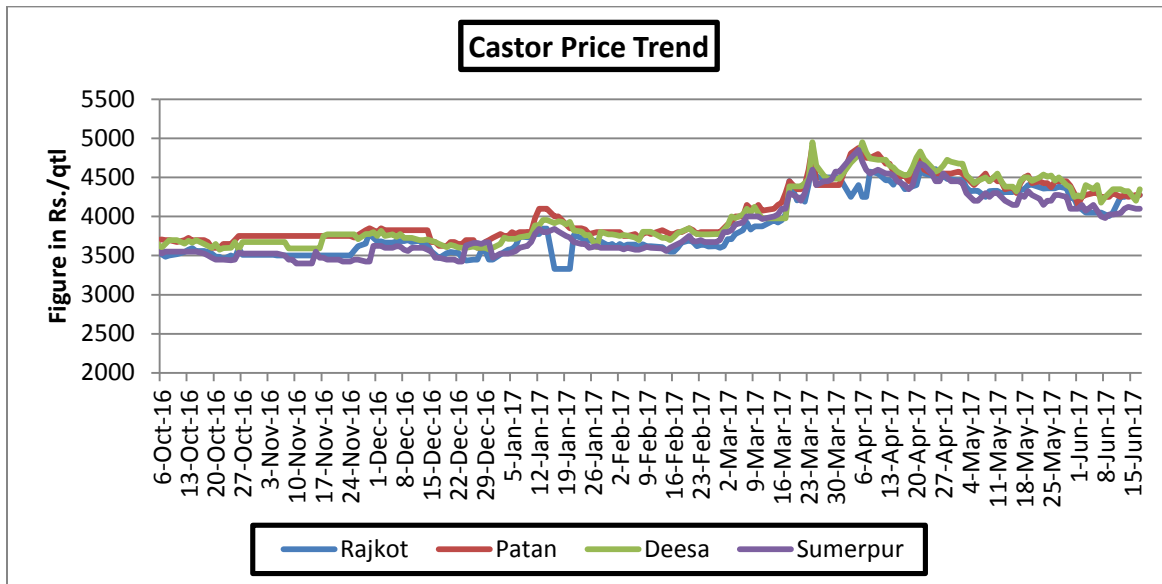
International market Outlook:

Import demand for castor oil continues from China, E.U and U.S. Even, Malaysia remains active for castor oil. Castor oil price in Reuter shows firm trend.

Castor Seed Price Trend Chart:

Steady 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 remain steady due to lower arrival.

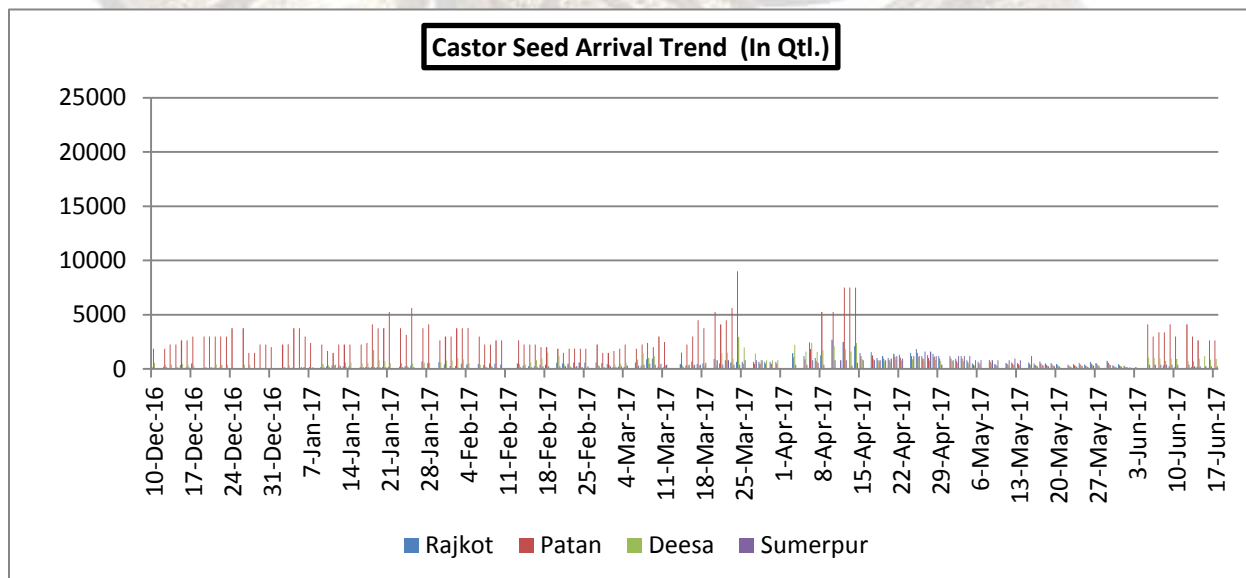
Castor Price Trend:



Source: Agriwatch

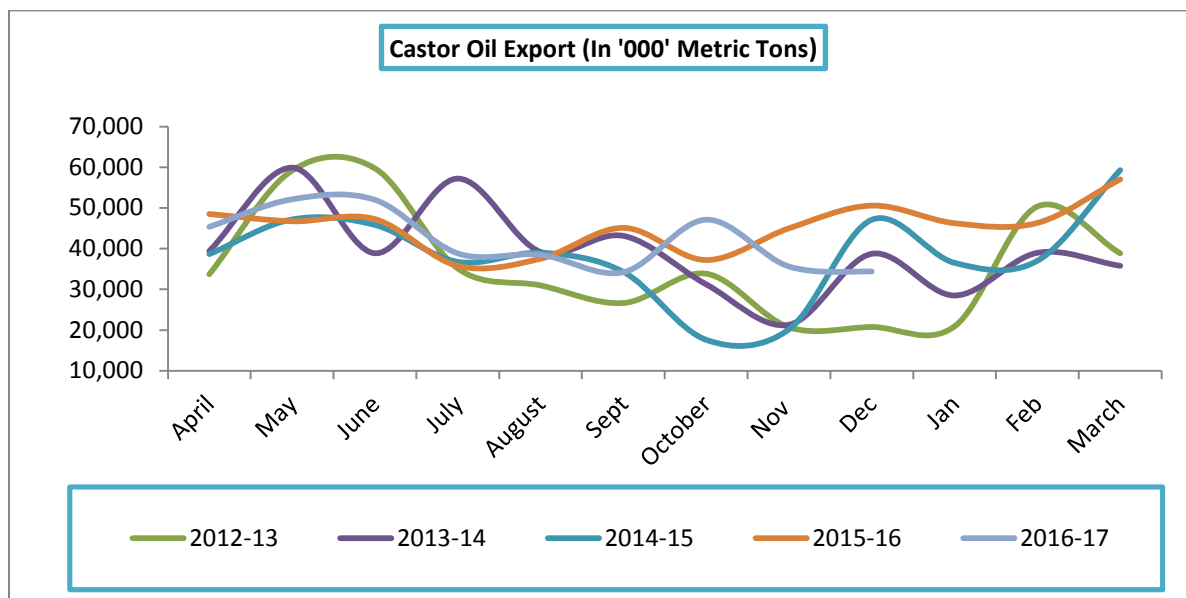
Castor Seed Arrival Chart:

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 down due to frail demand in the upcoming week.

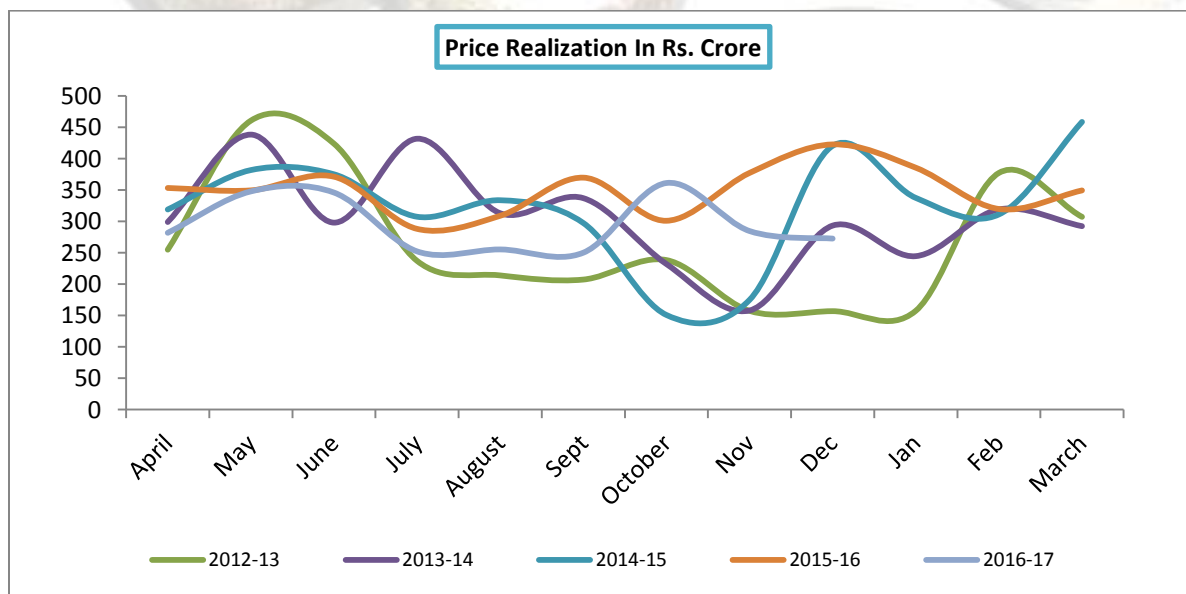


Source: Agriwatch

Castor Oil Export Trend:



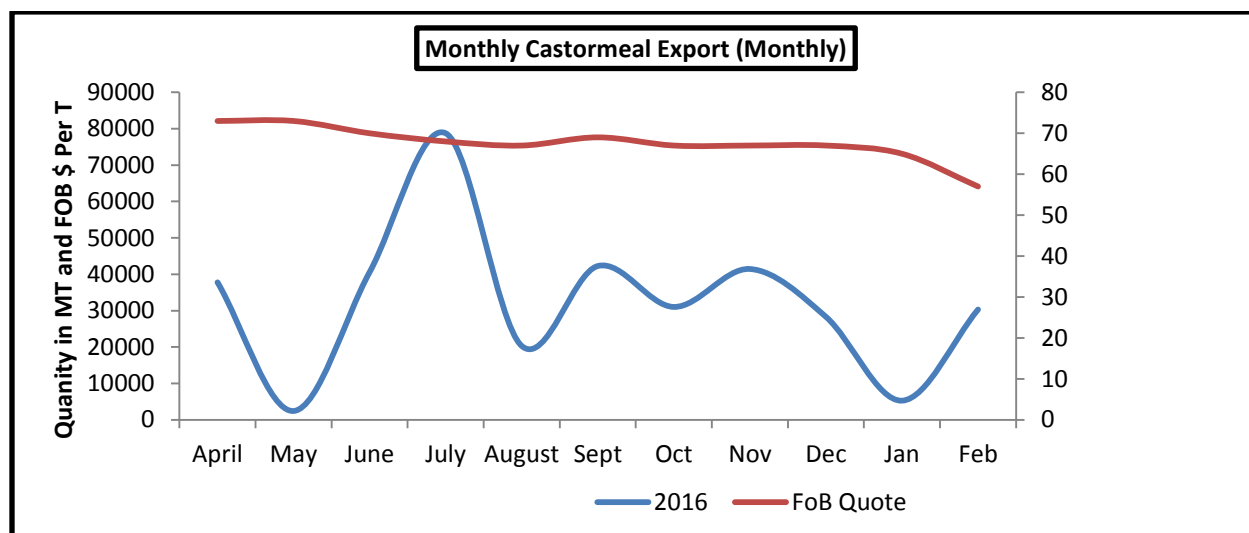
Source: Sea Of India



Source: Sea Of India

Castor Meal Export:

India exported castor meal higher at 2810 tonnes in April 2017 than 33238 tonnes in March 2017, Castor meal exports volume is sharply fall down in this month on lower demand majorly in international markets especially from South Korea. FOB quotes for meal stood up at 3.27% to USD 63/T in April 2017 against \$61/T during the corresponding period of last year. S. Korea bought 202 tons meal in the month of April.



Source: Sea of India

State wise Wholesale Prices Weekly Analysis for Castor Seed 02nd week June, 2017

State	Prices 09-15 Jun 2017	Prices 01-08 Jun 2017	Prices 09-15 Jun 2016	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3648.34	3808.39	3134.42	-4.2	16.4
Gujarat	4209.38	4209.07	3011.19	0.01	39.79
Karnataka	3708.33	3541.5	3200	4.71	15.89
Maharashtra	3266.67	3025	3063	7.99	6.65
Rajasthan	4018.38	4072.29	2883.98	-1.32	39.33
Tamil Nadu		3533.29	3360.11	—	—
Telangana	3706.84	3791.02	3094.95	-2.22	19.77
Average	3759.66	3711.51	3018.46		

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)	4350-4445	4500-4700
Medium Term (30 days)	4900-5100	5200-5500



Comparative Prices Of Castor Products Including Seed

	2nd June'17	26th May'17	2ndMay '17	2nd June'16	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	44300	46100	47350	31777	28.27
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	62.00	62.00	63.00	70.00	-12.90
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	3900	3900	4050	4762	-22.10
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1475	1535	1575	982	33.42
Local rates for oil in domestic market(Rs./M.T.) for comm.	96500	100000	101000	67531	30.02

Source: SEA.

Technical Analysis:

Castor – Technical Outlook

Technical Commentary:

- Prices are likely to move in the range bound in upcoming week supported by sluggish buying activities in the market.
- Decrease in prices with lower volume and OI indicates short build up.



Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	May	3850	3900	4241	4450	4500
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	May	Buy on Dips	4220	4250	4280	4190

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 tons this year.

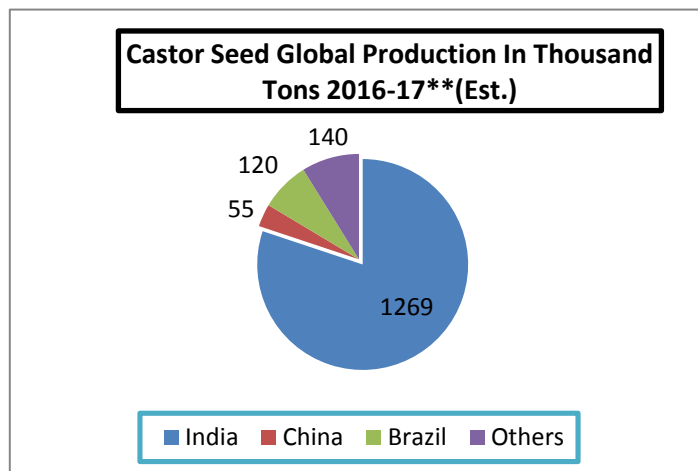
The season started with 5.91 lakh tons as carryout. Thus total availability for current marketing year comes to 18.6 lakh tons if estimated production of 12.69 lakh tons is included. Lower production would drag carryout down from 5.91 to 5.35 lakh tons. It would push seed price up in second and third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

Castor Seed Supply & Demand for MY-2017-18:

Preliminary Forecast For 2017-18									
All units in lakh tonss	2013-14	2014-15	2015-16	2016-17	2017-18	Apr-Jun	July-Sep	Oct-Dec	Jan-Mar
Carry in	6.84	6.04	5.54	5.91	5.35	5.35	9.65	5	1.9
Production	11.7	13	15.12	12.94	10.5	10.5	0	0	0
Imports	0	0	0	0	0	0	0	0	0
Total Availability	18.54	19.04	20.66	18.85	15.85	15.85	9.65	5	1.9
Consumption	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
Total Usage	12.5	13.5	14.75	13.5	15.5	6.2	4.65	3.1	1.55
Carry out	6.04	5.54	5.91	5.35	0.35	9.65	5	1.9	0.35
Av Monthly Consumption	1.04	1.13	1.23	1.13	1.29	2.07	1.55	1.03	0.52
Stock to Month Use	5.8	4.92	4.81	4.76	0.27	4.67	3.23	1.84	0.68
Stock to Consumption Ratio	0.483	0.41	0.4	0.4	0.02	1.56	1.08	0.61	0.23

Source: Agriwatch

Castor Seed Global Production share:



Outlook & Recommendation:

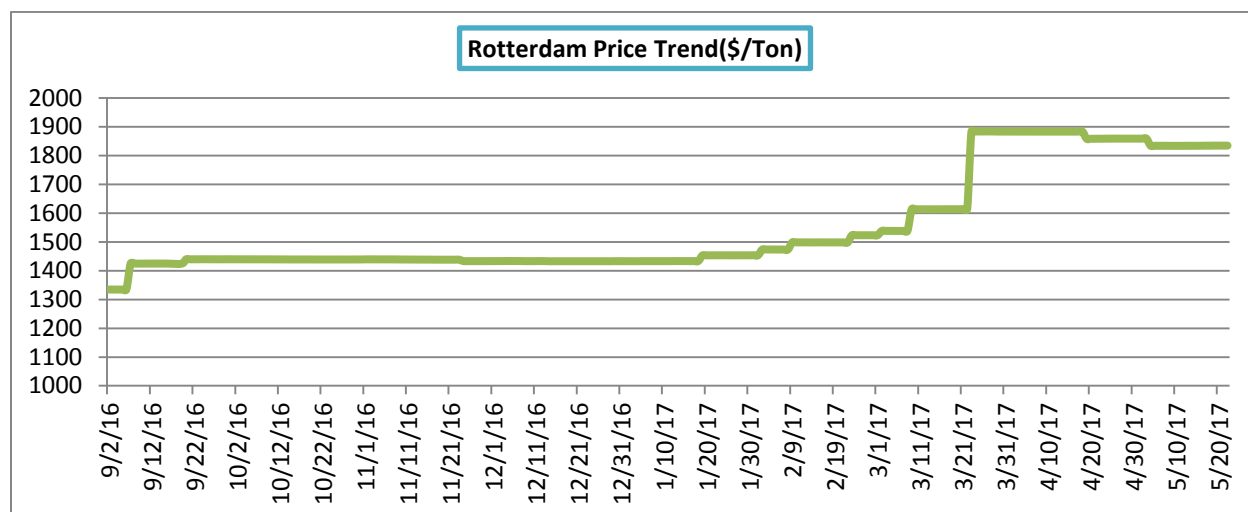
Castor seed market is likely to continue up in the second quarter of 2017, as demand is going to remain up with diminishing stocks. Millers and crushers are likely to be active in the market after May onwards. Less arrivals pace and improved oil demand will support castor prices hike further.

International market update:

There is no change in Global Castor Seed supply –demand side. Production is expected to decrease from 18.37 lakh tons to 15.84 lakh tons in 2016-17 due to lower crop size expected in India this year. Total availability for seed would decrease to 20 lakh tons including Indian carryout stock of 5.91 lakh tons. 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 move steady in this week against previous week record to the second week of May 2017. It stood as \$1834.70 per tons against USD 1830. 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

Castor Seed Weekly Prices at Key Spot Markets:

Commodity	Market	Price (Rs/ Quintal)		Change
Center		10th June to 16th June 2017	3rd June to 9th June 2017	
Gujarat	Patan	4270	4271	-1
	Harij	4255	4313	-58
	Rajkot	4106	4038	68
	Gondal	4154	4135	19
	Deesa	4313	4313	Unch
	Bhabar	NR	NR	-
	Mehsana	4250	4263	-13
	Kadi	4286	4332	-46
	Sabarkatha	4246	4267	-21
	Gandhi Nagar	4300	4346	-46
	Ahmedabad (Sanand)	4107	NA	-
	Halvad	4187	4171	16
	Junagadh	4035	3975	60
	Dhrol	NA	3940	-
Rajasthan	Jodhpur	4232	4158	74



	Sumerpur	4086	4051	35
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Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		16-Jun-17	9-Jun-17	16-May-17	16-Jun-16
Gujarat	Patan	4275	4250	4300	3090
	Harij	4250	4250	4375	3060
	Rajkot	4150	4005	4340	3095
	Gondal	4155	4105	4255	3150
	Deesa	4200	4300	4320	3030
	Bhabar	NA	NA	NA	3030
	Mehsana	4250	4200	4375	3035
	Kadi	4305	4250	4475	3085
	Sabarkatha	4250	4225	4420	3035
	Gandhi Nagar	4325	4275	4425	3050
	Ahmedabad (Sanand)	Closed	NR	4420	3030
	Halvad	4200	4225	4375	3020
	Junagadh	4050	4050	4225	3060
	Dhrol	NA	NA	4085	2750
Rajasthan	Jodhpur	4280	4160	4460	2950
	Sumerpur	4100	4025	4150	3025

Castor Seed Cumulative Arrivals in Key Centers:				
Center	Market	10th June to 16th June 2017	3rd June to 9th June 2017	Change
Gujarat	Patan	15375	22125	-6750
	Harij	2550	3825	-1275
	Rajkot	755	760	-5
	Gondal	1637	1646	-9
	Deesa	5440	5800	-360
	Bhabar	NR	NR	-
	Mehsana	1763	1500	263
	Kadi	5992	7780	-1788
	Sabarkatha	199	375	-176
	Gandhi Nagar	1575	1913	-338
	Ahmedabad (Sanand)	14	NR	-
	Halvad	683	825	-143



	Junagadh	360	500	-140
	Dhrol	NR	43	-43
Rajasthan	Jodhpur	450	435	15
	Sumerpur	1760	2400	-640
Total Arrivals/Above Markets		38552	49927	-11374

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