



Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

- Castor cash markets traded weak 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 sideways in coming weeks.
- In fourth week of June, all India arrival of castor seed is 19102 quintals which is 15771 quintals lower than last week arrival of 34874 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 in the medium term, 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:

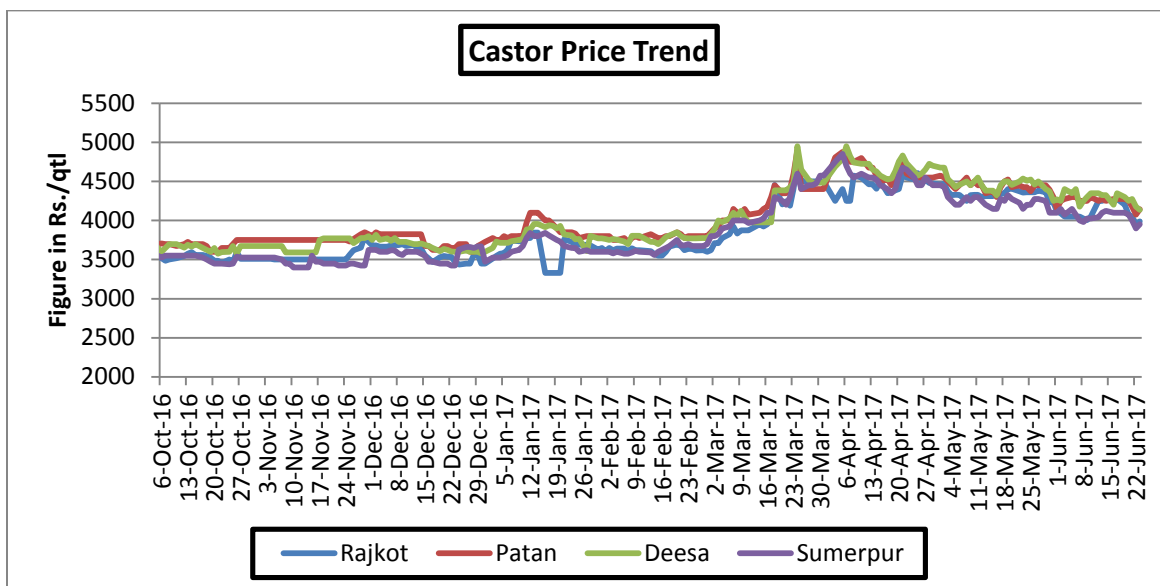
- FOB quotes In Kandla has decreased considerably from \$1575 to \$1565 per tons in last one week.
- Demand from China, EU, US and Japan is expected to remain steady till June. Major players would buy only need based buying until arrival gets its peak.
- Overall market sentiment remains steady in June.

International market Outlook:

Import demand for castor oil continues from China, E.U and U.S. Even, Malaysia remains active for castor oil.

Castor Seed Price Trend Chart:

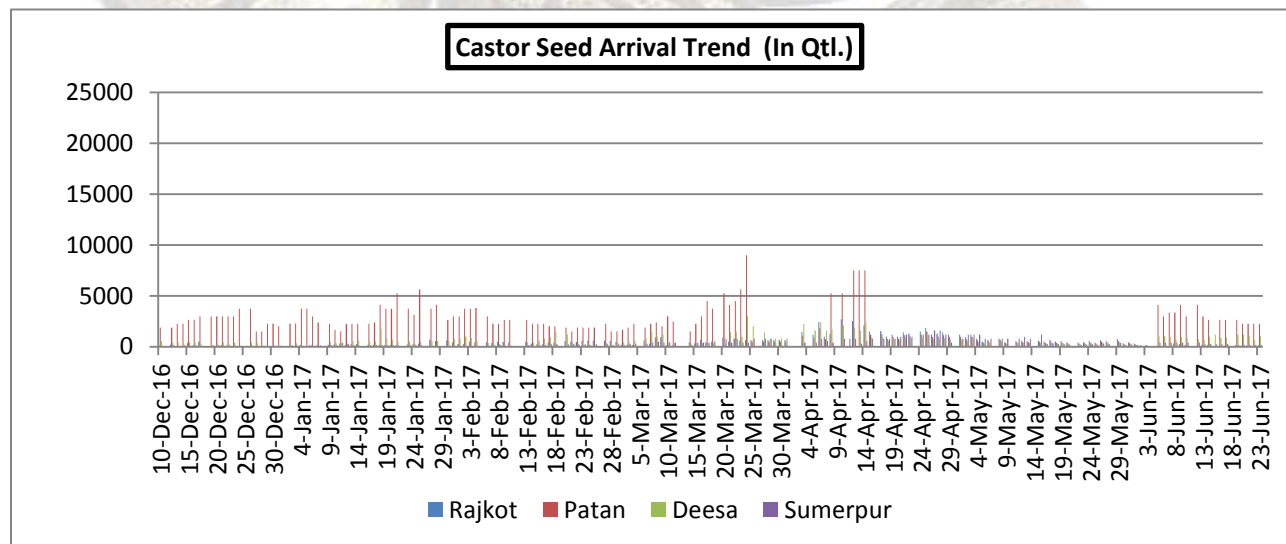
Steady trend were seen during this week ahead lower arrivals and good demand. Despite good yield of this season, production is likely to decrease which will help to increase price in long term. On Weekly front, prices are likely to remain steady due to lower arrival.

Castor Price Trend:


Source: Agriwatch

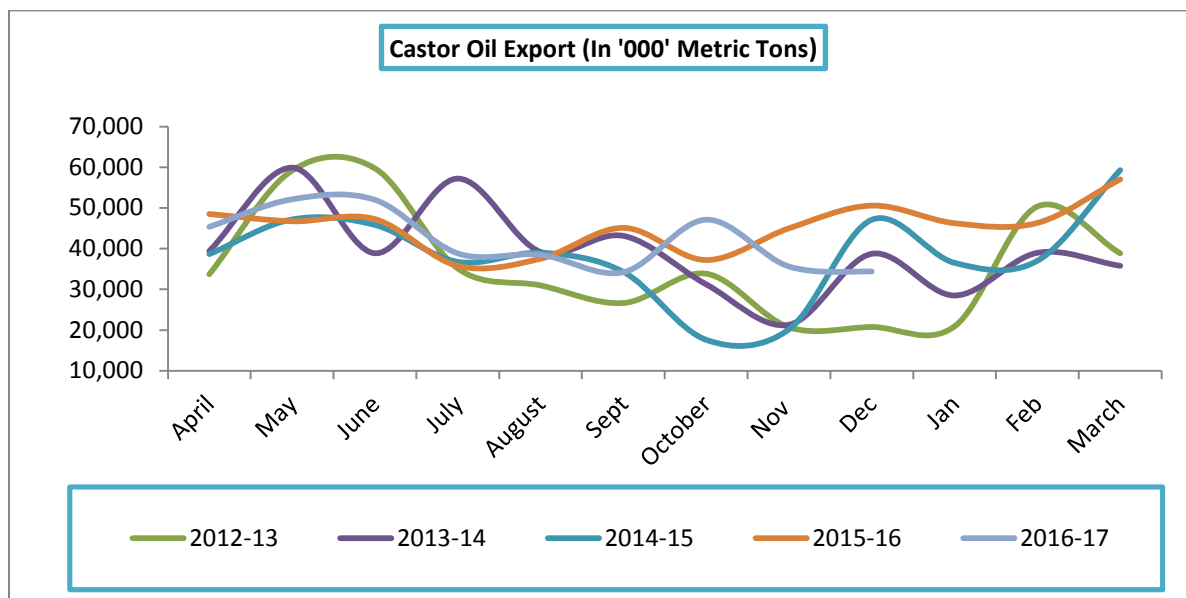
Castor Seed Arrival Chart:

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.

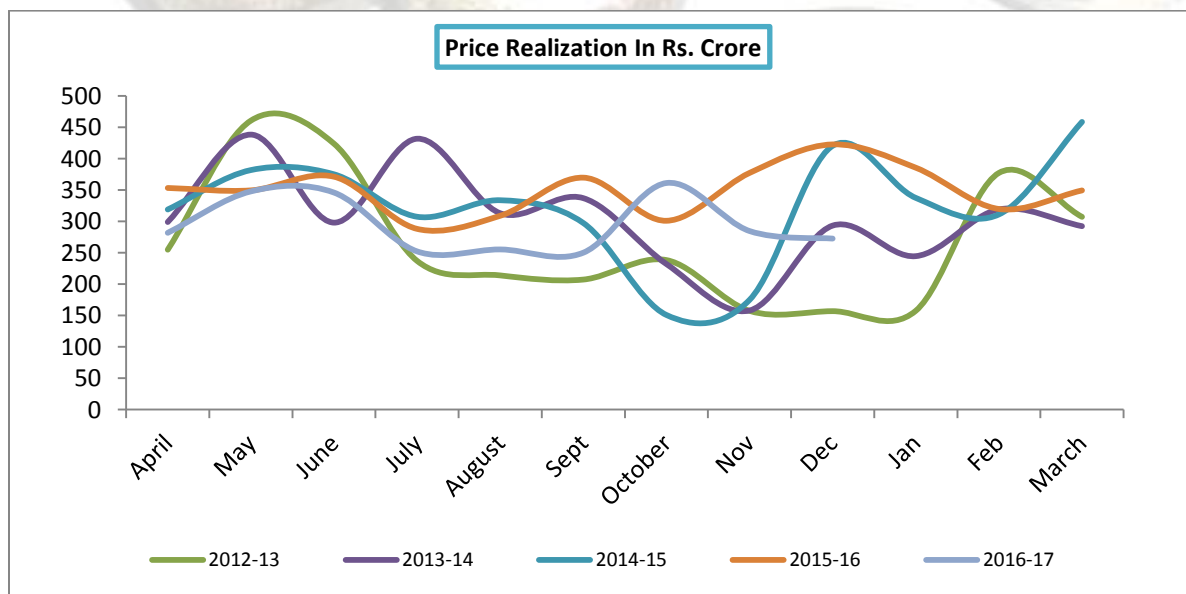


Source: Agriwatch

Castor Oil Export Trend:



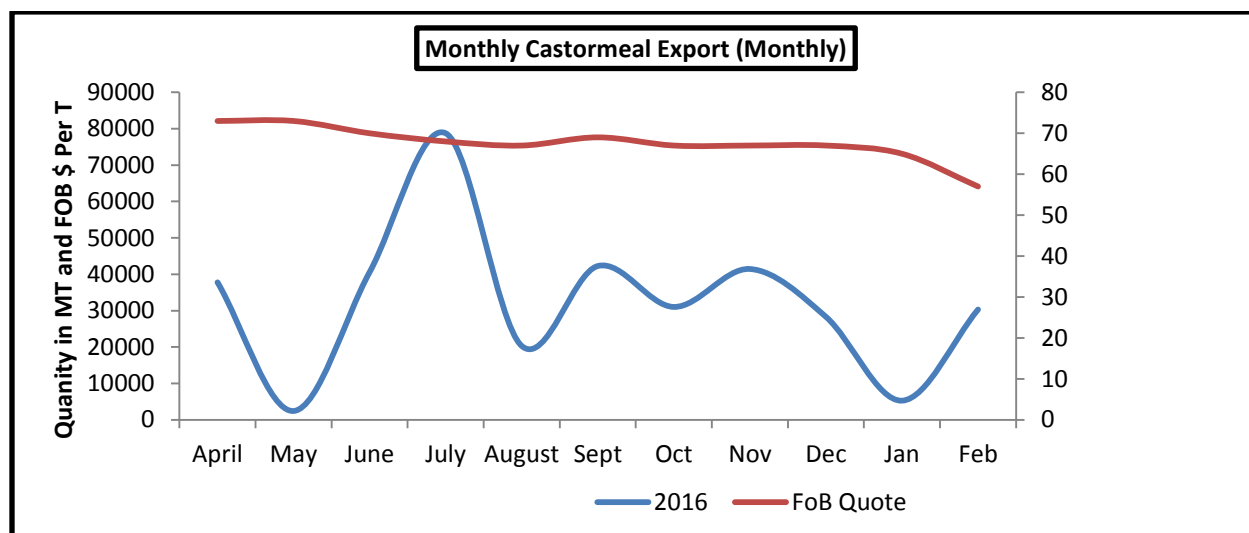
Source: Sea Of India



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 03rd week June, 2017

State	Prices 16-23 Jun 2017	Prices 09-15 Jun 2017	Prices 01-08 Jun 2017	Prices 16-23 Jun 2016	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3767.69	3648.34	3808.39	3182.83	3.27	-1.07	18.38
Gujarat	4133.19	4209.34	4209.07	3020.65	-1.81	-1.8	36.83
Karnataka	3300	3708.33	3541.5		-11.01	-6.82	—
Maharashtra	3481.5	3266.67	3025	2925	6.58	15.09	19.03
Rajasthan	3857.01	4017.34	4072.29	2878.09	-3.99	-5.29	34.01
Tamil Nadu	3686.28		3533.29	3310.46	—	4.33	11.35
Telangana	3855.92	3706.84	3791.02	3120.75	4.02	1.71	23.56
Uttar Pradesh	3100				—	—	—
Average	3647.7	3759.48	3711.51	3072.96			

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

	23rd June'17	16th June'17	23rd May'17	23rd June'16	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	42100	43800	45800	31777	24.52
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	56.00	61.00	63.00	70.00	-25.00
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	3500	3850	4000	4762	-36.06
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1400	1455	1525	982	29.86
Local rates for oil in domestic market(Rs./M.T.) for comm.	91500	97000	100000	67531	26.20

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	July	3850	3900	4380	4450	4500
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	July	Buy on Dips	4225	4250	4280	4195

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.

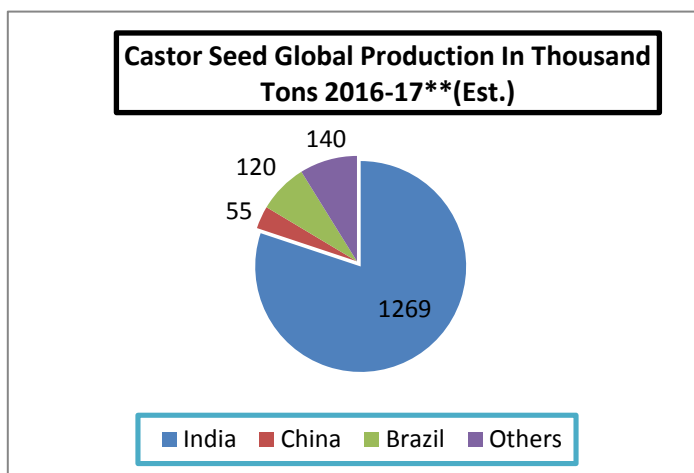
Castor Seed Supply & Demand for MY-2017-18:

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
Production share:**

Global



Outlook & Recommendation:

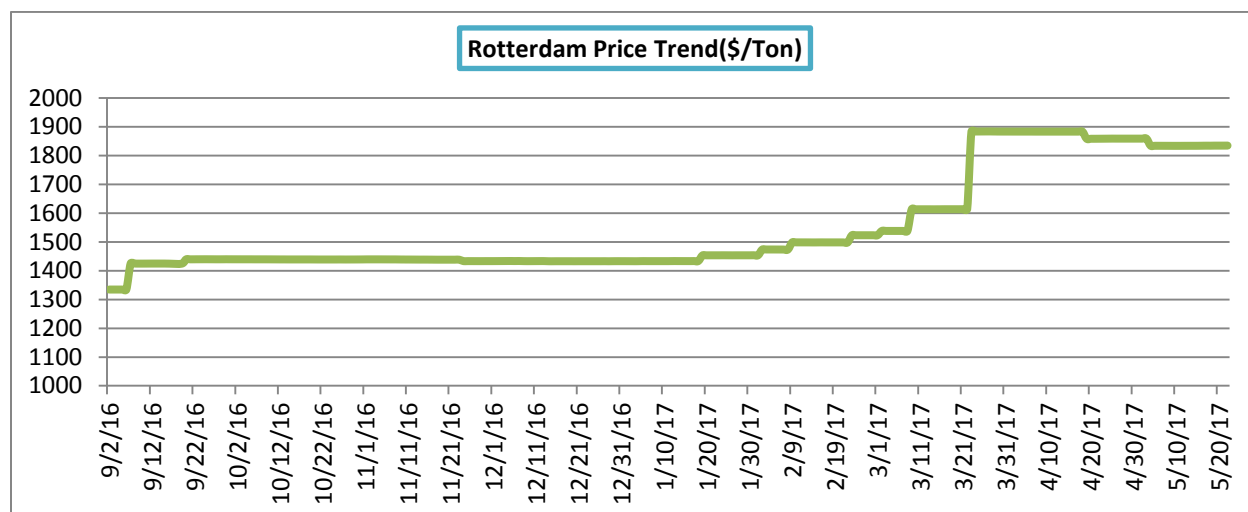
Castor seed market is likely to continue up in the second quarter of 2017, as demand is going to remain up with diminishing stocks. Millers and crushers are likely to be active in the market after May onwards. Less arrivals pace and improved oil demand will support castor prices hike further.

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		24th to 30th June 2017	17th to 23rd June 2017	
Gujarat	Patan	4163	4199	-37
	Harij	4225	4175	50
	Rajkot	4060	4074	-14
	Gondal	4049	4055	-6
	Deesa	4220	4248	-28
	Bhabar	NA	NA	-
	Mehsana	4194	4200	-6
	Kadi	4248	4238	10
	Sabarkatha	4181	4175	6
	Gandhi Nagar	4263	4253	10
	Ahmedabad (Sanand)	4155	4145	10
	Halvad	4003	4156	-153
	Junagadh	4038	3973	65
	Dhrol	3620	3637	-17
Rajasthan	Jodhpur	4298	4200	98
	Sumerpur	4106	4021	85



Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		30-Jun-17	23-Jun-17	30-May-17	30-Jun-16
Gujarat	Patan	Closed	4145	4395	3250
	Harij	Closed	4050	4325	3205
	Rajkot	Closed	3990	4240	3230
	Gondal	4055	3930	4180	3305
	Deesa	4275	4135	4375	3205
	Bhabar	NA	NA	NA	3205
	Mehsana	Closed	4050	4350	3215
	Kadi	Closed	4125	4425	3325
	Sabarkatha	Closed	4025	4325	3235
	Gandhi Nagar	Closed	4125	4400	3260
	Ahmedabad (Sanand)	NA	4000	4235	3150
	Halvad	Closed	4075	4350	3245
	Junagadh	Closed	3800	4135	3235
	Dhrol	Closed	3560	4075	2980
Rajasthan	Jodhpur	4360	4180	4320	3000
	Sumerpur	Closed	3950	4100	3225

Castor Seed Cumulative Arrivals in Key Centers:				
Center	Market	24th to 30th June 2017	17th to 23rd June 2017	Change
Gujarat	Patan	7875	14250	-6375
	Harij	788	1875	-1088
	Rajkot	405	715	-310
	Gondal	681	1240	-559
	Deesa	3440	6040	-2600
	Bhabar	NA	NA	-
	Mehsana	675	1463	-788
	Kadi	3560	5248	-1688
	Sabarkatha	165	293	-128
	Gandhi Nagar	600	1125	-525
	Ahmedabad (Sanand)	5	34	-29
	Halvad	218	743	-525
	Junagadh	105	315	-210



	Dhrol	4	8	-4
Rajasthan	Jodhpur	263	503	-240
	Sumerpur	320	1024	-704
Total Arrivals/Above Markets		19102	34874	-15771

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