



Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

- All India average castor price is around Rs.3485/quintal which is higher by 0.99% from last week price of Rs.3451/quintal and up by 15% from same period last year price of Rs.3029/quintal.
- Castor cash markets traded weak this week with lower arrival from major markets. Pressure is unlikely to continue by July 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.
- Mostly castor cash markets remain closed in last week, due to protest against GST.
- In First week of July, all India arrival of castor seed is 1581 quintals which is 17521 quintals lower than last week arrival of 19102 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. 4254-4300 Rs. for stock purpose.

International Market Update:

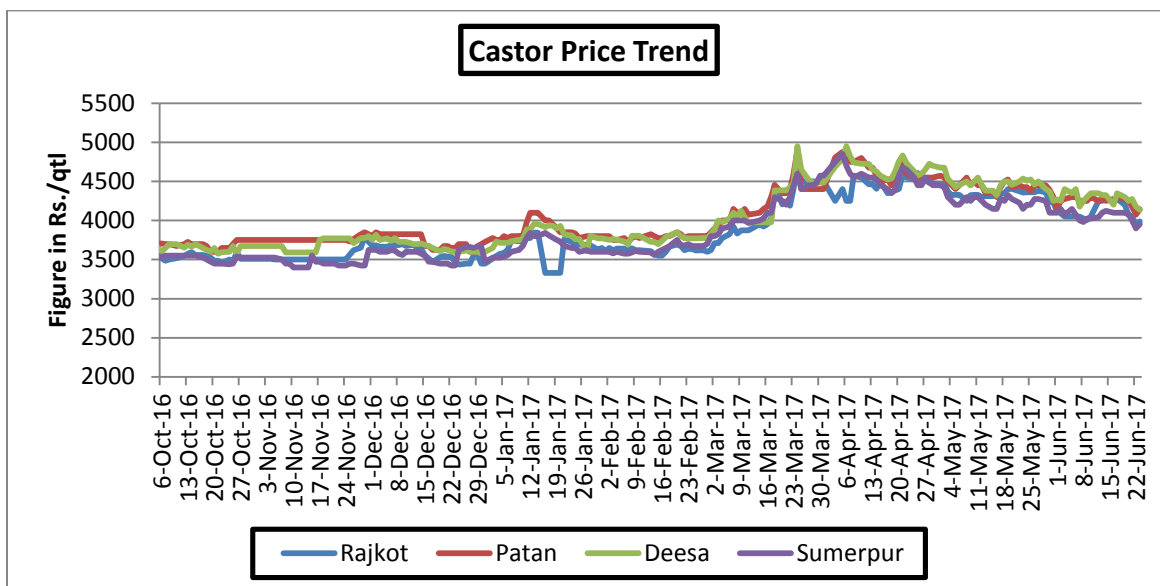
- FOB quotes In Kandla has decreased considerably from \$1575 to \$1565 per tons in last one week.
- Demand from China, EU, US and Japan is expected to remain steady till June. Major players would buy only need based buying until arrival gets its peak.
- Overall market sentiment remains steady in July.

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:

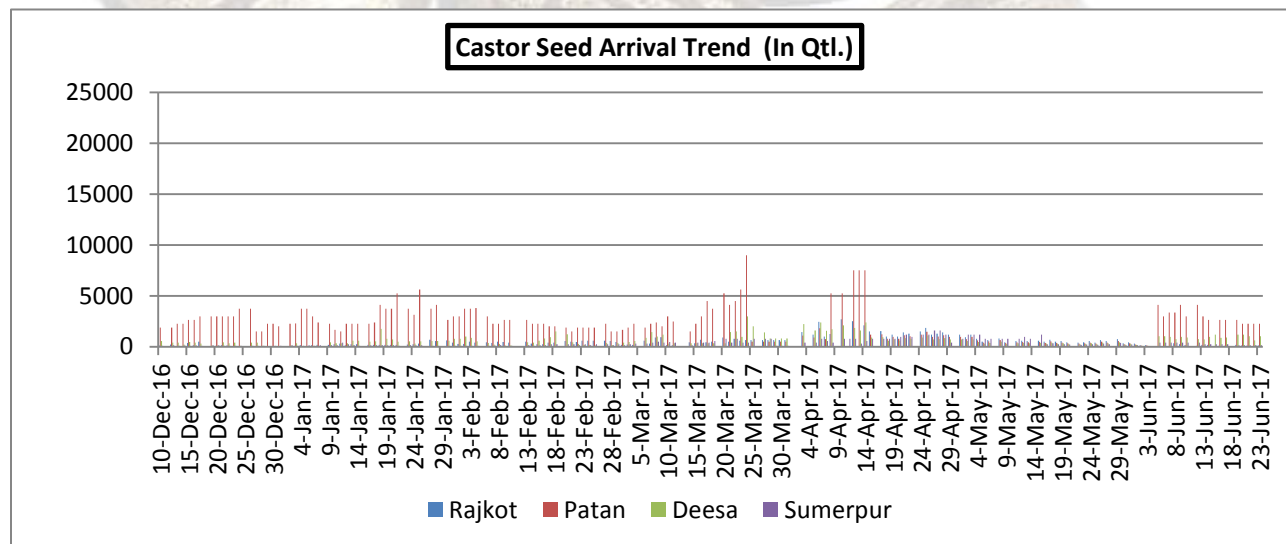
Steady trend were seen during this week ahead lower arrivals and good demand. Despite good yield of this season, production is likely to decrease which will help to increase price in long term. On Weekly front, prices are likely to remain steady due to lower arrival.

Castor Price Trend:


Source: Agriwatch

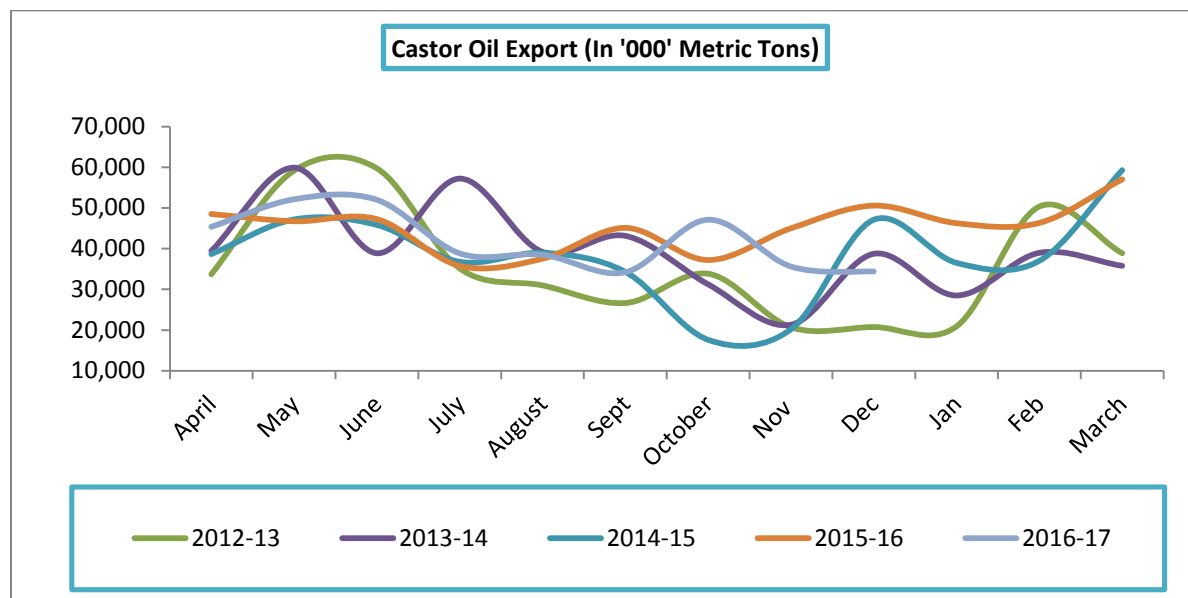
Castor Seed Arrival Chart:

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.

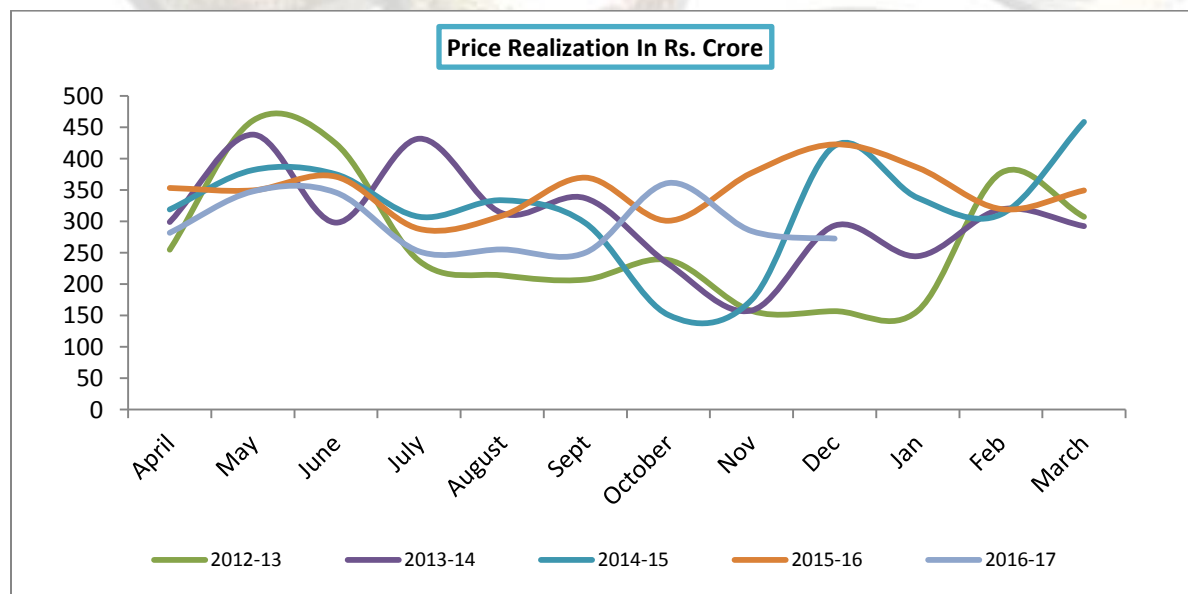


Source: Agriwatch

Castor Oil Export Trend:



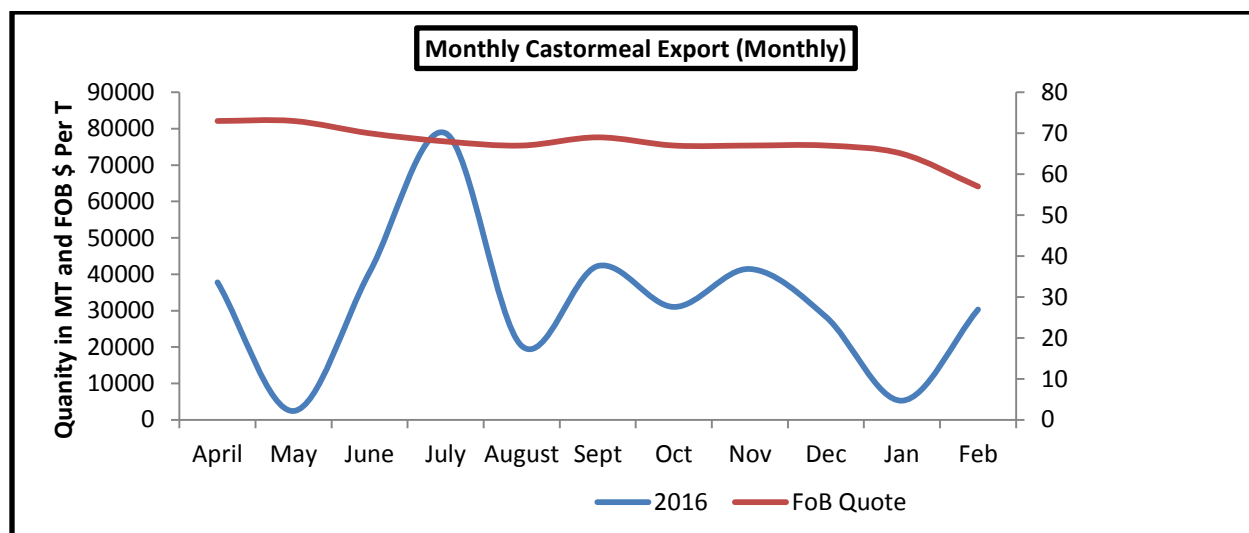
Source: Sea Of India



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 01st week July, 2017

State	Prices 01-08 Jul 2017	Prices 24-30 Jun 2017	Prices 16-23 Jun 2017	Prices 01-08 Jul 2016	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3727.9	3603.03	3730.41	3253.66	3.47	-0.07	14.58
Gujarat	4160.04	4116.52	4132.02	3133.71	1.06	0.68	32.75
Karnataka	3850	3546.15	3300		8.57	16.67	—
Madhya Pradesh	2775			2131.3	—	—	30.2
Maharashtra	3133.33	3312.5	3481.5	3200	-5.41	-10	-2.08
Rajasthan	2804.9	3283.08	3857.01	3094.61	-14.56	-27.28	-9.36
Tamil Nadu	3501		3686.28	3221.53	—	-5.03	8.68
Telangana	3933	3898.36	3855.92	3168	0.89	2	24.15
Uttar Pradesh			3100		—	—	—
Average	3485.65	3451.38	3642.89	3028.97			

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

Castor Weekly Price Comparison

Comparative Prices Of Castor Products Including Seed					
	30th June'17	23rd June'17	30th May'17	30th June'16	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	NQ	42100	44800	31777	-
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	NQ	56.00	62.00	70.00	-
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	NQ	3500	3900	4762	-
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	NQ	1400	1490	982	-
Local rates for oil in domestic market(Rs./M.T.) for comm.	96000	91500	96000	67531	29.66

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.
- Increase in prices with higher volume and OI indicates long build up.



Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	July	3850	3900	4430	4500	4550
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	July	Buy on Dips	4315	4360	4420	4300

Castor Seed- Balance Sheet for 2017-18:

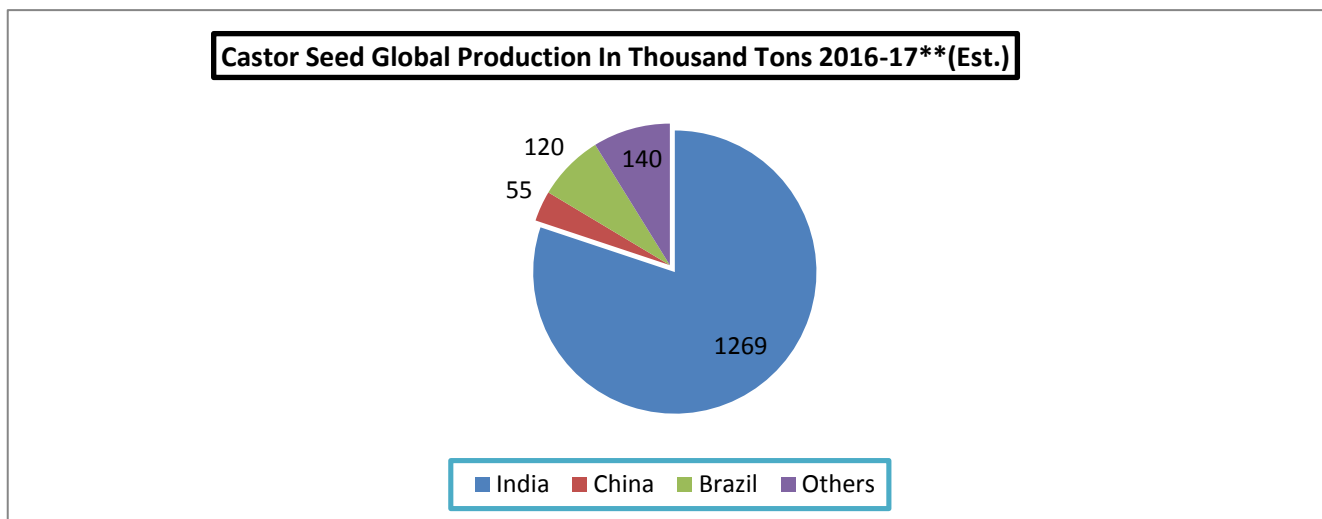
Agriwatch estimates for 2016/17 is remain same. Production shows around 14.42 percent lower side this year against 2015/16 season due to crop shifting from castor seed to other lucrative crops. Over all area would decline from 11.18(normal) to 9.90 lakh ha this year. The estimate is based on initial 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:

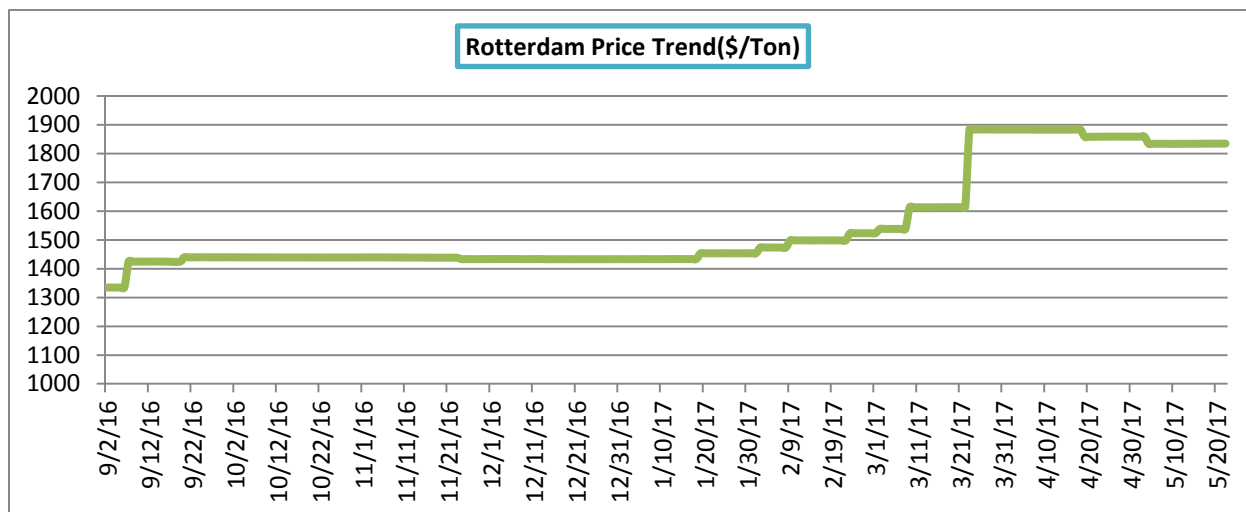
Castor seed market is likely to continue up in the second quarter of 2017, as demand is going to remain up with diminishing stocks. Millers and crushers are likely to be active in the market after May onwards. Less arrivals pace and improved oil demand will support castor prices hike further.

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
		01st to 07th July 2017	24th to 30th June 2017	
Gujarat	Patan	Closed	4163	-
	Harij	Closed	4225	-
	Rajkot	Closed	4060	-
	Gondal	Closed	4049	-
	Deesa	4175	4220	-45
	Bhabar	NA	NA	-
	Mehsana	Closed	4194	-
	Kadi	Closed	4248	-
	Sabarkatha	4258	4181	77
	Gandhi Nagar	Closed	4263	-
	Ahmedabad (Sanand)	NA	4155	-
	Halvad	Closed	4003	-
	Junagadh	Closed	4038	-
	Dhrol	Closed	3620	-
Rajasthan	Jodhpur	4275	4298	-23
	Sumerpur	4144	4106	38



Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		7-Jul-17	30-Jun-17	7-Jun-17	7-Jul-16
Gujarat	Patan	Closed	Closed	4250	3200
	Harij	Closed	Closed	4300	3175
	Rajkot	Closed	Closed	4050	3200
	Gondal	Closed	4055	4155	3280
	Deesa	Closed	4275	4175	3175
	Bhabar	NA	NA	NA	3190
	Mehsana	Closed	Closed	4275	3175
	Kadi	Closed	Closed	4265	3240
	Sabarkatha	4275	Closed	4275	3200
	Gandhi Nagar	Closed	Closed	4325	3200
	Ahmedabad (Sanand)	NA	NA	4225	3135
	Halvad	Closed	Closed	4100	3150
	Junagadh	Closed	Closed	3950	3175
	Dhrol	Closed	Closed	3960	3090
Rajasthan	Jodhpur	4320	4360	4120	2990
	Sumerpur	4225	Closed	4000	3150

Castor Seed Cumulative Arrivals in Key Centers:				
Center	Market	01st to 07th July 2017	24th to 30th June 2017	Change
Gujarat	Patan	Closed	7875	-
	Harij	Closed	788	-
	Rajkot	Closed	405	-
	Gondal	Closed	681	-
	Deesa	1040	3440	-2400
	Bhabar	NA	NA	-
	Mehsana	Closed	675	-
	Kadi	Closed	3560	-
	Sabarkatha	17	165	-148
	Gandhi Nagar	Closed	600	-
	Ahmedabad (Sanand)	NA	5	-
	Halvad	Closed	218	-
	Junagadh	Closed	105	-
	Dhrol	Closed	4	-
Rajasthan	Jodhpur	124	263	-139



	Sumerpur	400	320	80
Total Arrivals/Above Markets		1581	19102	-17521

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