



Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

- All India average castor price is around Rs.3894/quintal which is lower by 0.55% from last week price of Rs.3915/quintal and up by 39% from same period last year price of Rs.2806/quintal.
- In second week of August, all India arrival of castor seed is 64636 quintals which is 15741 quintals higher than last week arrival of 48895 quintals. After heavy flood, now farmers are taking their stock to mandi and thus arrival is increasing over last week.
- In the monsoon season, at All-India level, the rainfall during the week (20th July, 2017 – 26th July, 2017) has been 22% higher than Long Period Average (LPA). Rainfall in the four broad geographical divisions of the country during the above period have been higher than LPA by 48% in East & North East India, 35% in Central India and 29% in North West India but lower than LPA by 56% in South Peninsula.
- Castor meal export in June, 17 is around at 62,516 MT and traded at USD 59/T @ Indian port (FOB) versus 19141 MT of last month at US\$63/T and 132,771 MT of June 2016 at US\$70/T. Expectation of hike in price in coming months is the main reason for higher export. Exports for the period of Jan-June are reported up by 64% at 499,140 MT.
- 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 Sowing Updates as on 04th August-2017 (in Lakh Hectare):

State	Normal Area	Normal Area as on date	Area sown reported			Absolute Change
			This Year	% of Normal	Last Year	
Andhra Pradesh	0.89	0.26	0.13	14.6	0.22	0.89
Assam	0.01	0.00	0.00	0.0	0.00	0.01
Bihar	0.00	0.00	0.00		0.01	0.00
Gujarat	7.37	0.69	1.44	19.5	0.38	7.37
Haryana	0.01	0.01	0.01	200.0	0.02	0.01
Jharkhand	0.01	0.00	0.01		0.00	0.01
Karnataka	0.12	0.07	0.04	33.3	0.07	0.12
Madhya Pradesh	0.02	0.00	0.00	0.0	0.00	0.02
Maharashtra	0.16	0.11	0.07	44.9	0.12	0.16
Odisha	0.12	0.04	0.04	33.6	0.05	0.12
Rajasthan	2.25	0.31	0.66	29.3	0.28	2.25
Tamil Nadu	0.06	0.01	0.00	0.0	0.01	0.06
Telangana	0.82	0.62	0.31	37.9	0.38	0.82
Others		0.00	0.00		0.00	
All-India	11.83	2.15	2.72	23.0	1.53	11.83

Castor seed area as on 04th August-2017 is around 2.72 lakh hectares which is up by 27% normal area as on date of 2.15 lakh hectares and also up by 78% from last year area till date of 1.53 lakh hectares. The main reason for increasing area is expectation of higher return in coming season of 2017-18 as stock is getting thinner day by day, also it is reported that 2.5-3 lakh bags of castor seed is destroyed in Banaskantha and Patan districts of Gujarat which also affect to push the price in northward in coming months.

Outlook & Recommendation:

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

Stake holders in cash market may opt for buying seed around Rs. 4350-4600 Rs. for stock purpose.

International Market Update:

Castor oil Exports to China were reported around 15,000 MT lower than normal level of 20,000 MT per month. Lower prices during June have helped to increase the export higher during June. Exports for the period of Jan-June are reported lower by 1.6%, is likely to narrow further in coming months.

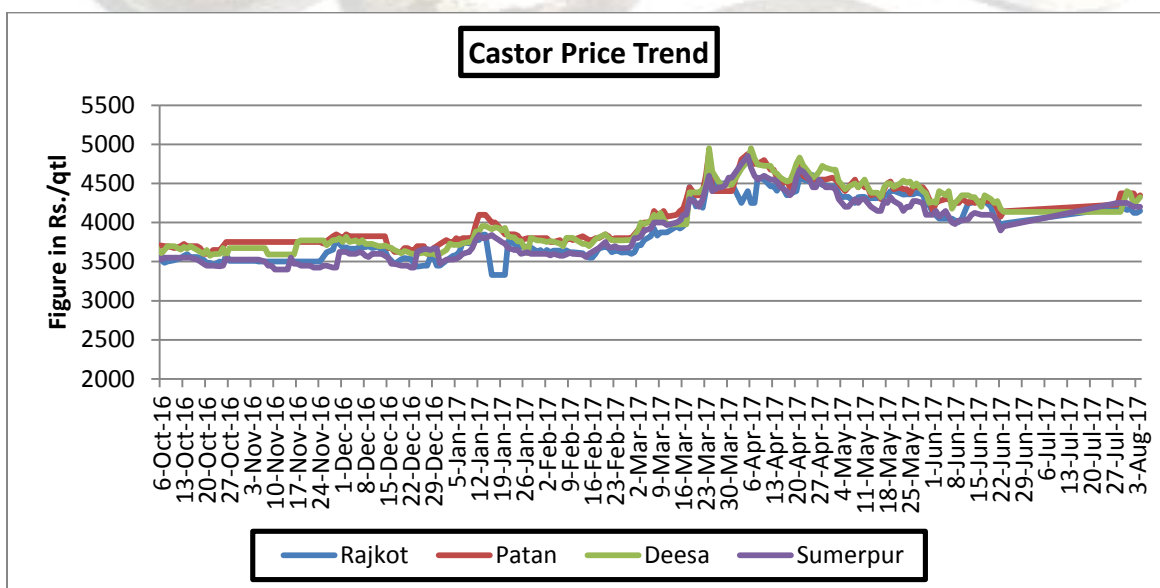
International market Outlook:

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:

Mostly all castor markets are moving in the upward direction due to continuous demand and diminishing stock.

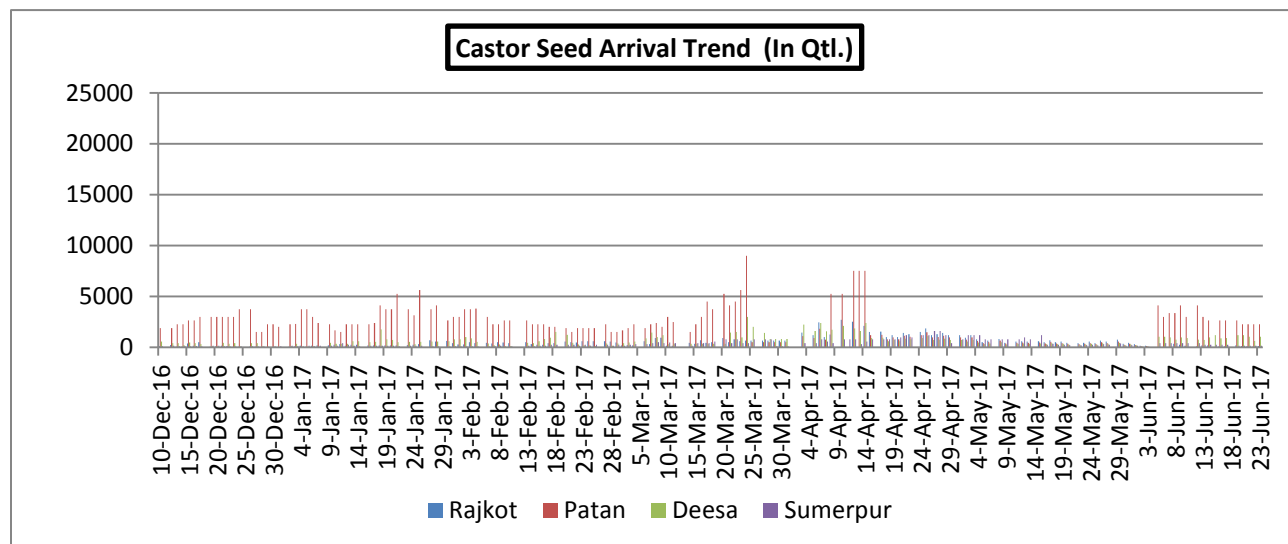
Castor Price Trend:



Source: Agriwatch

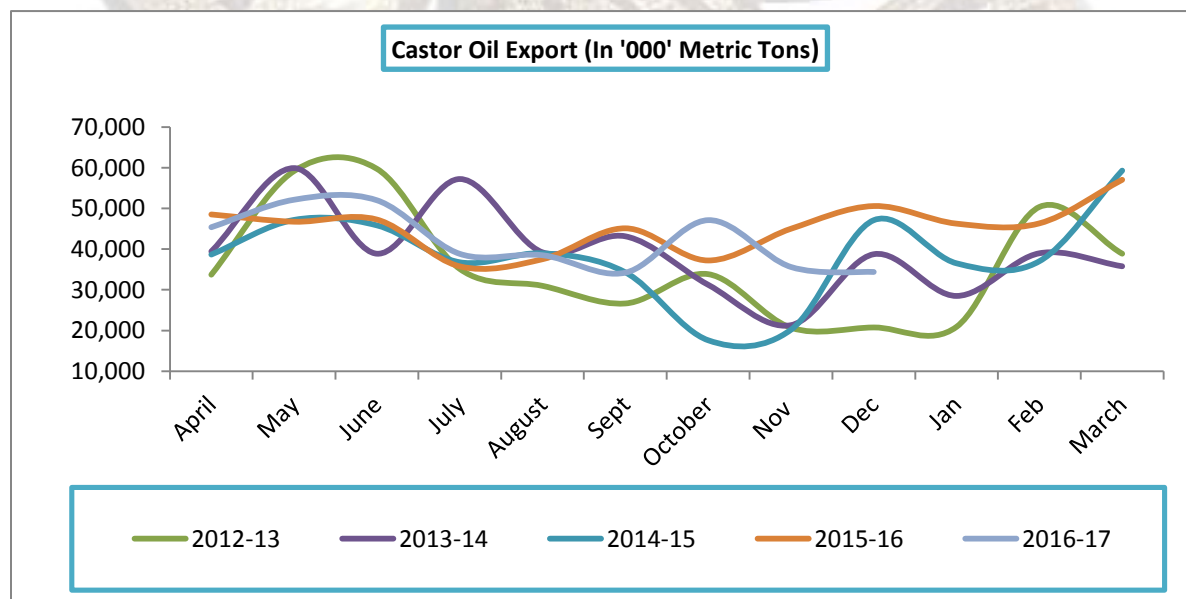
Castor Seed Arrival Chart:

Arrival is negligible in almost all major mandis and so arrival is not updated.

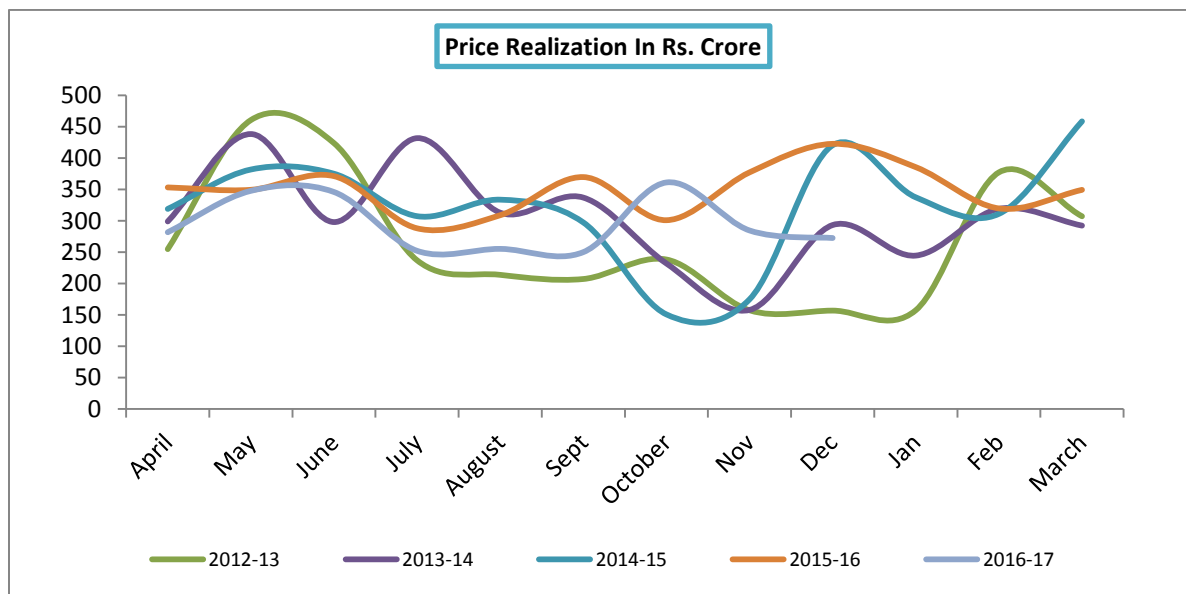


Source: Agriwatch

Castor Oil Export Trend:



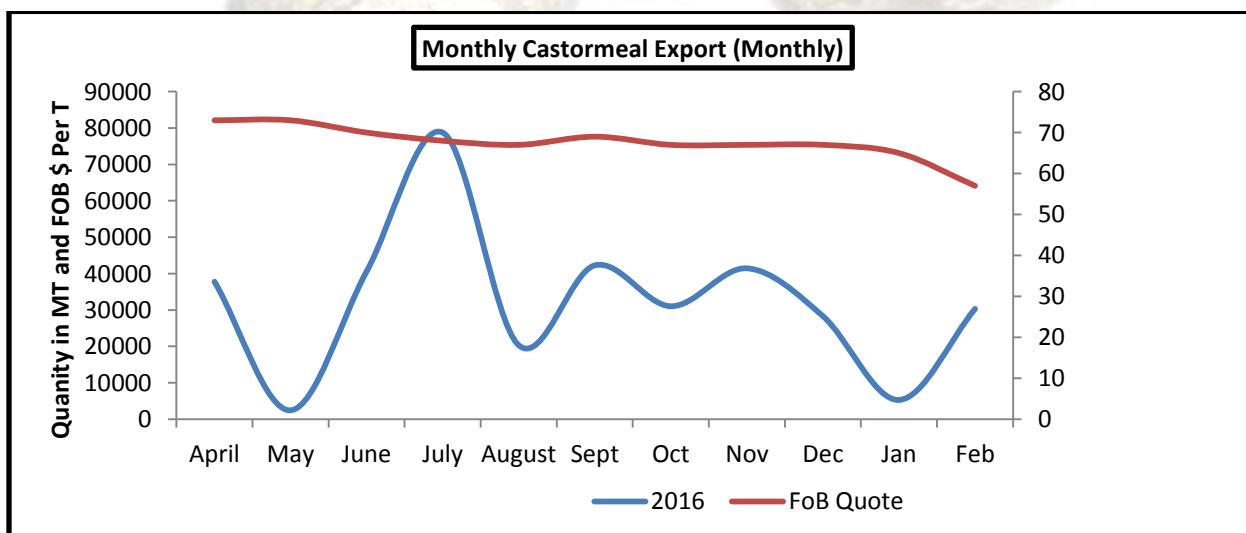
Source: Sea Of India



Source: Sea Of India

Castor Meal Export:

Meal prices are currently quoting at the level last seen during May, 2010 due to subdued demand from South Korea. Meal exports during June'17 are reported higher by 1462% m/m and higher by 16.6% y/y. Meal exports till June are running lower by 20.4% y/y. For the year exports likely to remain lower by 19%. Sufficient stocks at destination are keeping overall export lower from last two seasons. Lower prices are expected to keep exports higher during second half of the year. Exports to Taiwan and Japan are expected to improve significantly this season.



Source: Sea of India



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

State	Prices 09-15 Aug 2017	Prices 01-08 Aug 2017	Prices 24-31 Jul 2017	Prices 09-15 Aug 2016	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4002.2	3921.41	3879.48	3366.02	2.06	3.16	18.9
Gujarat	4344.34	4275.09	4216.79	3387.54	1.62	3.02	28.24
Karnataka		3801.42		1600	—	—	—
Madhya Pradesh	3100	3450		1610	-10.14	—	92.55
Maharashtra		4000	3937.5	3078	—	—	—
Rajasthan	4126.29	4071.67	3871.54	3254.96	1.34	6.58	26.77
Tamil Nadu			3611		—	—	—
Telangana		3883.74	3775.1	3350.38	—	—	—
Average	3893.21	3914.76	3881.9	2806.7			

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					
	4th August'17	28th July'17	4th July'17	4th August'16	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	43900	NQ	NQ	35414	19.33
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	63	NQ	NQ	67.00	-6.35
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	4050	NQ	NQ	4494	-10.96
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1495	NQ	NQ	1106	26.02
Local rates for oil in domestic market(Rs./M.T.) for comm.	95500	97000	93500	75800	20.63

Source: SEA. Latest data awaited

Source: SEA.

Technical Analysis:
Castor – Technical Outlook
Technical Commentary:

- Prices are likely to move in the range bound to firm tone in upcoming week.
- Increase in prices with higher volume and OI indicates long build up.


Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	Sept	3850	3900	4660	4600	4650
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Sept	Buy on Dips	4590	4630	4650	4580

Castor Seed- Balance Sheet for 2017-18:

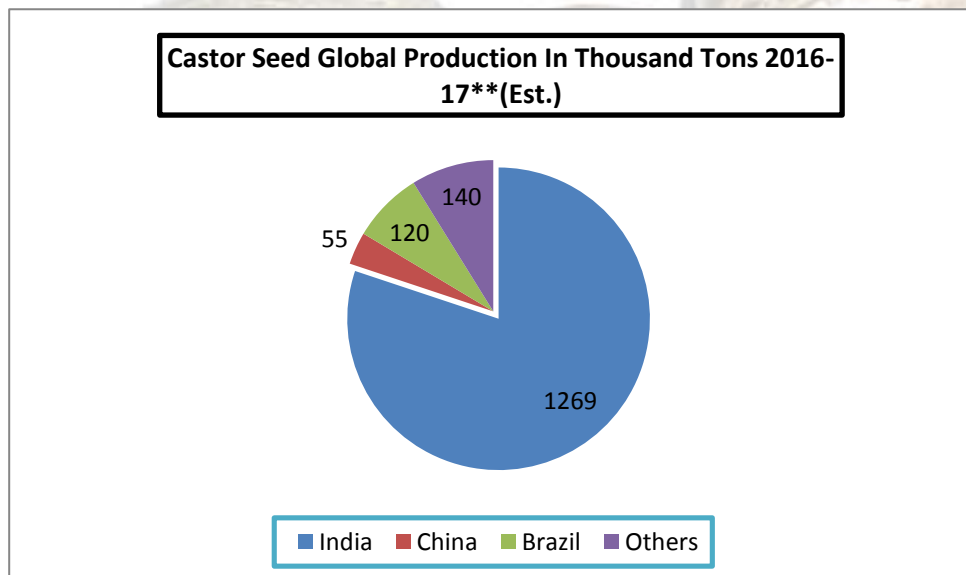
Agriwatch estimates for 2016/17 is remain same. Production shows around 14.42 percent lower side this year against 2015/16 season due to crop shifting from castor seed to other lucrative crops. Over all area would decline from 11.18(normal) to 9.90 lakh ha this year. The estimate is based on initial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

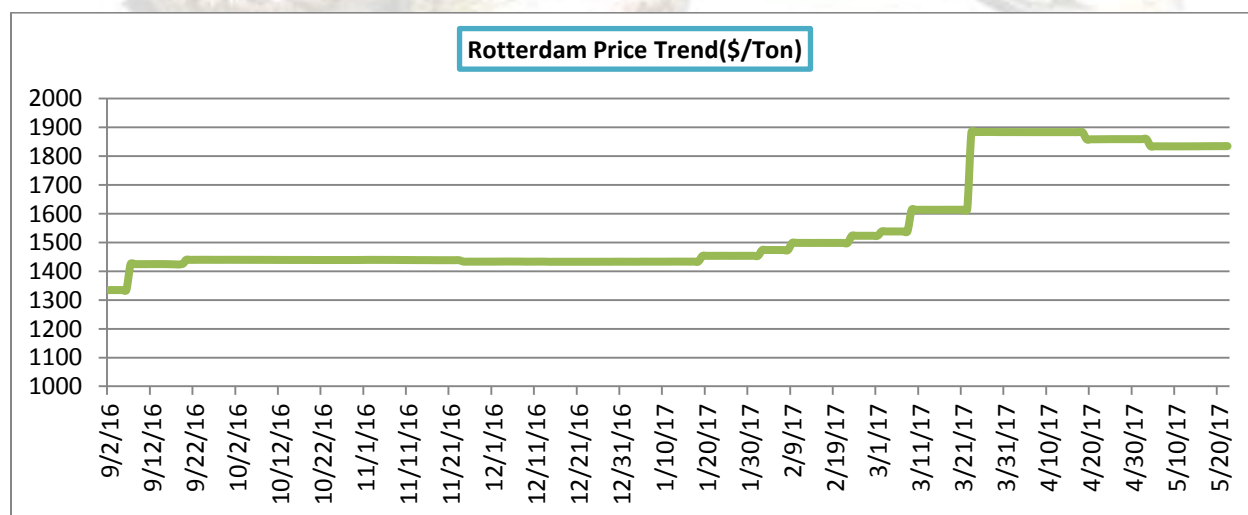
after May onwards. Less arrivals pace and improved oil demand will support castor prices hike further.

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 mid-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		05th to 11th August 2017	29th July to 04th August 2017	
Gujarat	Patan	4400	4358	42
	Harij	4350	4325	25
	Rajkot	4212	4159	53
	Gondal	4195	4235	-40
	Deesa	4385	4323	62
	Bhabar	4330	4318	12
	Mehsana	4360	4329	31
	Kadi	4451	4416	35
	Sabarkatha	4395	4348	47
	Gandhi Nagar	4410	4378	32
	Ahmedabad (Sanand)	4100	4180	-80
	Halvad	4240	4186	54
	Junagadh	4202	4235	-33
	Dhrol	3843	3830	13
Rajasthan	Jodhpur	4423	4317	106
	Sumerpur	4300	4221	79

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		11-Aug-17	4-Aug-17	11-Jul-17	11-Aug-16
Gujarat	Patan	4350	4350	Closed	3475
	Harij	4300	Closed	Closed	3475
	Rajkot	4220	4180	Closed	3310
	Gondal	4255	NA	Closed	3355
	Deesa	4450	4325	Closed	3460
	Bhabar	NA	4305	Closed	NA
	Mehsana	4350	4275	Closed	3400
	Kadi	4430	4370	Closed	3415
	Sabarkatha	4400	4315	4275	3425
	Gandhi Nagar	4400	4325	Close	3425
	Ahmedabad (Sanand)	4100	4150	4055	3390
	Halvad	4275	4175	Closed	3415
	Junagadh	4070	4155	Closed	3275
	Dhrol	NA	NA	Closed	3105



Rajasthan	Jodhpur	4480	4320	4280	3300
	Sumerpur	4300	4200	4150	3325

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	05th to 11th August 2017	29th July to 04th August 2017	Change
Gujarat	Patan	26250	15404	10847
	Harij	2700	2550	150
	Rajkot	1326	915	411
	Gondal	1783	1527	256
	Deesa	5120	5840	-720
	Bhabar	4862.2	3063	1799
	Mehsana	2700	3113	-413
	Kadi	15786	12837	2950
	Sabarkatha	600	315	285
	Gandhi Nagar	2213	1650	563
	Ahmedabad (Sanand)	2	6	-4
	Halvad	439	428	11
	Junagadh	225	375	-150
	Dhrol	7	46	-39
Rajasthan	Jodhpur	304	413	-109
	Sumerpur	320	416	-96
Total Arrivals/Above Markets		64636	48895	15741

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