



Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

- All India average castor price is around Rs.4180/quintal which is up by 7.37% from last week price of Rs.3894/quintal and up by 35% from same period last year price of Rs.3103.06/quintal.
- In third week of August, all India arrival of castor seed is 20590 quintals which is 44047 quintals lower than last week arrival of 64637 quintals. After heavy flood, now farmers are on strike against E-auction and thus it is decreasing 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 18th 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	0.35	0.15	16.9	0.27	-0.12
Assam	0.01			0.0		0.00
Bihar	0.00	0.01	0.00		0.01	-0.01
Gujarat	7.37	2.79	2.29	31.1	2.12	0.17
Haryana	0.01	0.01	0.01	160.0	0.02	-0.01
Jharkhand	0.01	0.01	0.01		0.01	
Karnataka	0.12	0.09	0.05	41.7	0.09	-0.04
Madhya Pradesh	0.02			0.0		0.00
Maharashtra	0.16	0.17	0.07	42.9	0.12	-0.05
Odisha	0.12	0.05	0.05	42.0	0.05	0.00
Rajasthan	2.25	1.13	0.73	32.2	1.16	-0.44
Tamil Nadu	0.06	0.02	0.01	8.6	0.02	-0.01
Telangana	0.82	0.70	0.31	37.9	0.43	-0.12
Others		0.00	0.00		0.00	
All-India	11.84	5.31	3.68	31.1	4.30	-0.62

Castor seed area as on 18th August-2017 is around 3.68 lakh hectares which is down by 5.8% normal area as on date of 5.31 lakh hectares and down by 14.42% from last year area till date of 4.30 lakh hectares.

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.

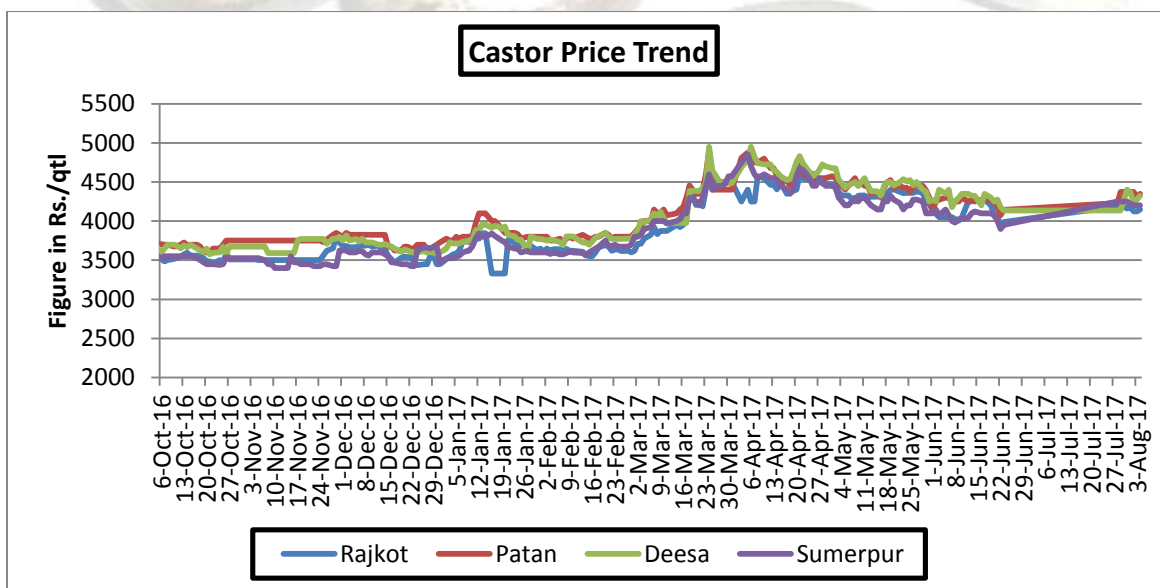
International market Outlook:

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.

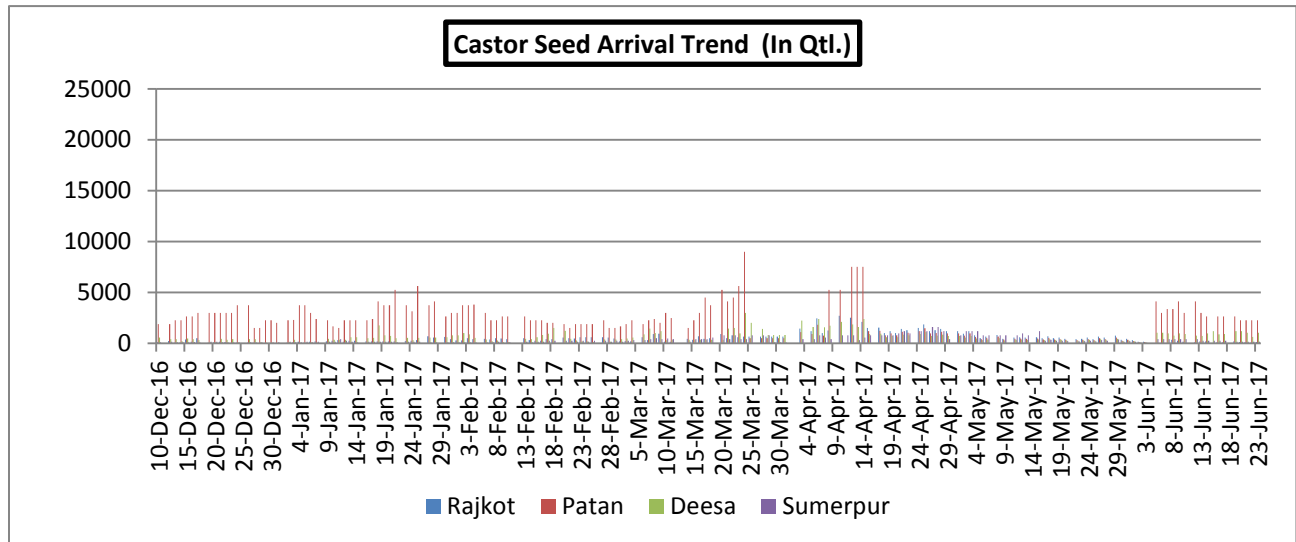
Castor Price Trend:



Source: Agriwatch

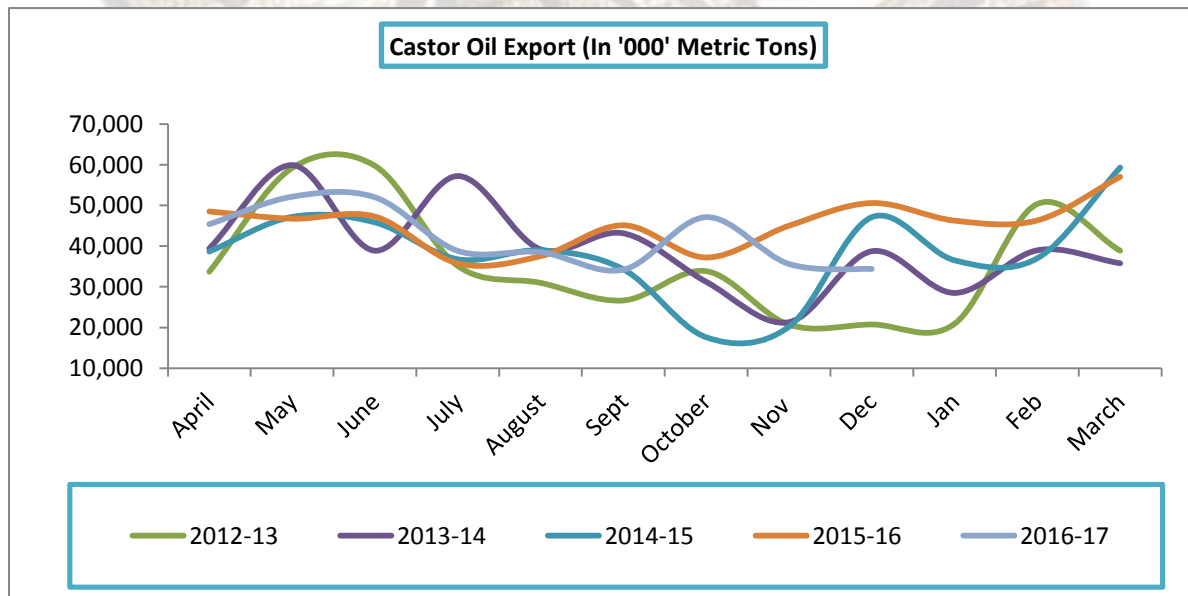
Castor Seed Arrival Chart:

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

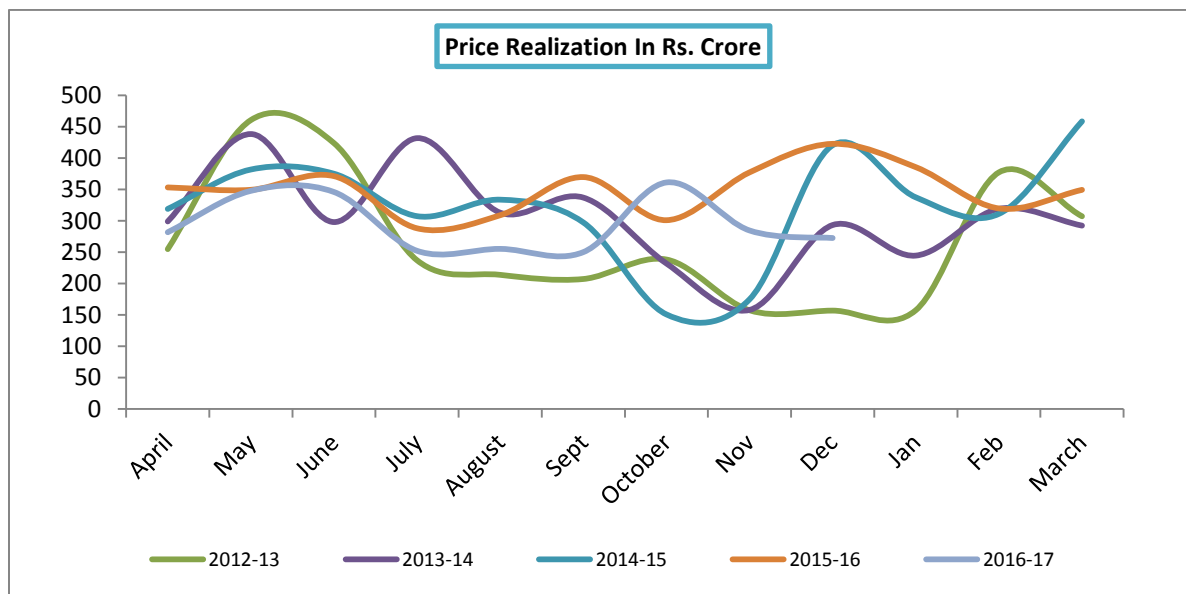


Source: Agriwatch

Castor Oil Export Trend:



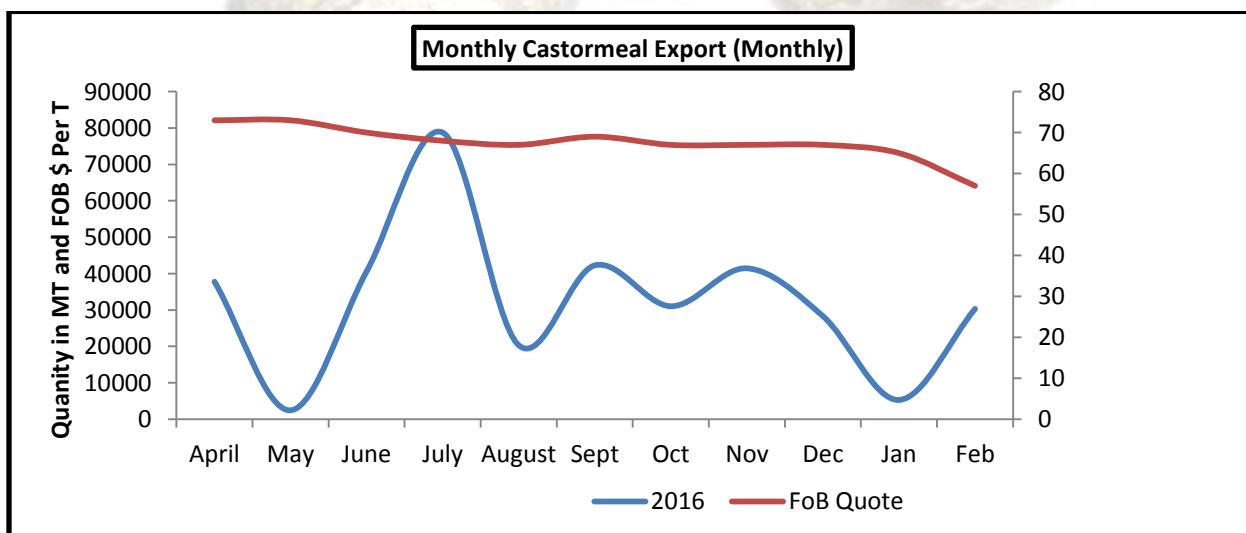
Source: Sea Of India



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 16-23 Aug 2017	Prices 09-15 Aug 2017	Prices 16-23 Aug 2016	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4082.52	4002.2	3289.5	2.01	24.11
Gujarat	4433.19	4344.28	3427.57	2.05	29.34
Karnataka			1764.16	--	--
Madhya Pradesh		3100	2353.99	--	--
Maharashtra			3162.5	--	--
Rajasthan	4098.85	4126.29	3290.82	-0.67	24.55
Tamil Nadu			4222	--	--
Telangana	4106.64		3321.14	--	23.65
Average	4180.3	3893.19	3103.96		

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)	4400-4600	4800-5000
Medium Term (30 days)	4700-4850	5300-5500

Castor Weekly Price Comparison

Comparative Prices Of Castor Products Including Seed					
	11th Aug'17	4th Aug'17	11th July'17	11th Aug'16	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	44750	43900	NQ	35414	20.86
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	63	63	NQ	67.00	-6.35
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	4050	4050	NQ	4494	-10.96
Castor Oil (First Grade) FOB Kandla (Export)\$/Tonne	1510	1495	NQ	1106	26.75
Local rates for oil in domestic market(Rs./M.T.) for comm.	97000	95500	95000	75800	21.86

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	4713	4850	4900
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Sept	Buy on Dips	4670	4720	4750	4650

Castor Seed- Balance Sheet for 2017-18:

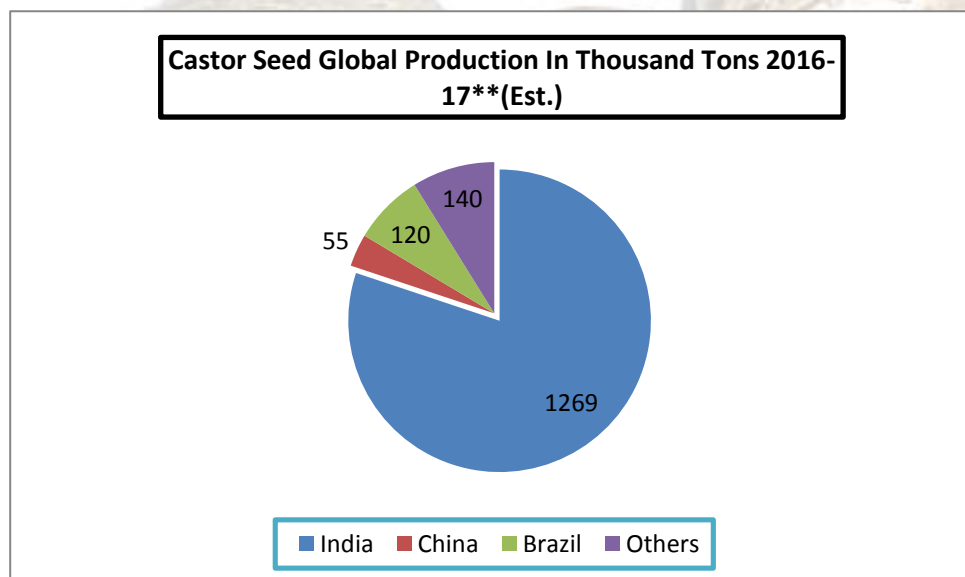
Agriwatch estimates for 2016/17 is remain same. Production shows around 14.42 percent lower side this year against 2015/16 season due to crop shifting from castor seed to other lucrative crops. Over all area would decline from 11.18(normal) to 9.90 lakh ha this year. The estimate is based on initial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

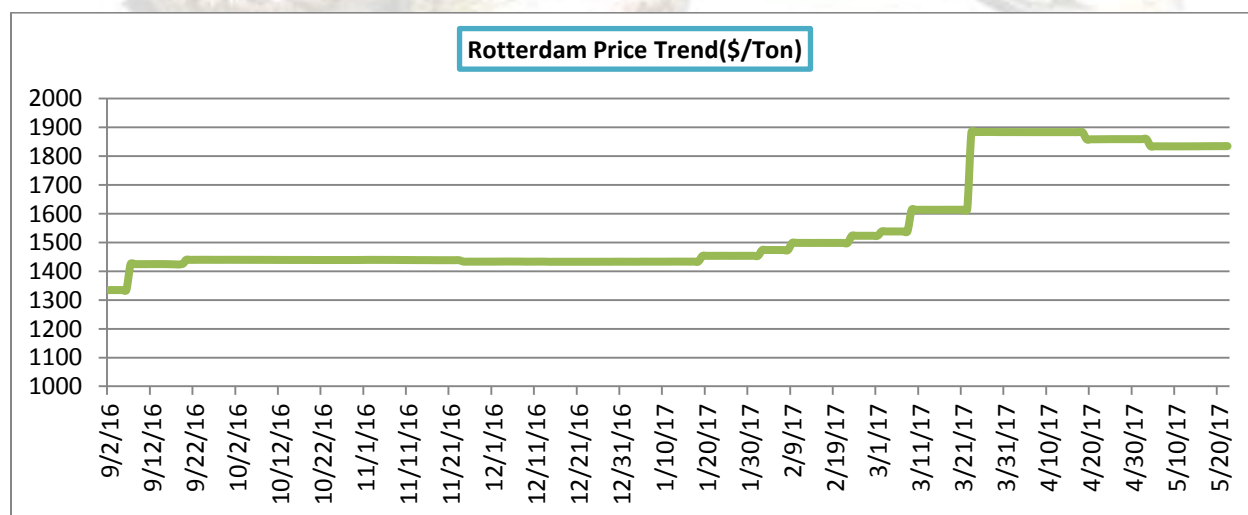
after May onwards. Less arrivals pace and improved oil demand will support castor prices hike further.

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		12th to 18th August 2017	05th to 11th August 2017	
Gujarat	Patan	4350	4400	-50
	Harij	4342	4350	-8
	Rajkot	4223	4212	11
	Gondal	4188	4195	-7
	Deesa	4391	4385	6
	Bhabar	NR	4330	-
	Mehsana	4350	4360	-10
	Kadi	4484	4451	33
	Sabarkatha	4425	4395	30
	Gandhi Nagar	4452	4410	42
	Ahmedabad (Sanand)	4100	4100	Unch
	Halvad	4275	4240	35
	Junagadh	4050	4202	-152
	Dhrol	NA	3843	-
Rajasthan	Jodhpur	4359	4423	-64
	Sumerpur	4300	4300	Unch

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		18-Aug-17	11-Aug-17	18-Jul-17	18-Aug-16
Gujarat	Patan	Closed	4350	NA	3500
	Harij	Closed	4300	NA	3550
	Rajkot	4200	4220	4255	3340
	Gondal	4180	4255	4305	3180
	Deesa	4450	4450	4325	3465
	Bhabar	NA	NA	4400	NA
	Mehsana	Closed	4350	4375	3425
	Kadi	4550	4430	4465	3470
	Sabarkatha	4425	4400	4425	3460
	Gandhi Nagar	4455	4400	4450	3500
	Ahmedabad (Sanand)	NR	4100	NA	3385
	Halvad	Closed	4275	NA	3410
	Junagadh	NR	4070	4250	3375



	Dhrol	NA	NA	NA	3135
Rajasthan	Jodhpur	4480	4480	4390	3250
	Sumerpur	Closed	4300	4300	3350

Castor Seed Cumulative Arrivals in Key Centers:				
Center	Market	12th to 18th August 2017	05th to 11th August 2017	Change
Gujarat	Patan	6375	26250	-19875
	Harij	1800	2700	-900
	Rajkot	173	1326	-1153
	Gondal	558	1783	-1225
	Deesa	2910	5120	-2210
	Bhabar	NR	4862	-
	Mehsana	375	2700	-2325
	Kadi	6276	15786	-9510
	Sabarkatha	450	600	-150
	Gandhi Nagar	1163	2213	-1050
	Ahmedabad (Sanand)	1	2	-1
	Halvad	150	439	-289
	Junagadh	35	225	-190
	Dhrol	NA	7	-
Rajasthan	Jodhpur	285	304	-19
	Sumerpur	40	320	-280
Total Arrivals/Above Markets		20590	64637	-44047

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