



Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

- All India average castor price is around Rs.3919/quintal which is down by 5.26% from last week price of Rs.4138/quintal and up by 28% from same period last year price of Rs.3062/quintal.
- In last week of August, all India arrival of castor seed is 41131 quintals which is 24132 quintals lower than last week arrival of 65263 quintals.
- 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 prices rose sharply during the month on good enquiry from South Korea. Prices have increased by 15.7% m/m mostly during first week of August. Prices are quoting at Rs 4,050 per MT, lower by 10% y/y. Meal exports during July'17 are reported lower by 52.4% m/m and 26.4% y/y.
- Domestic use of Castor Oil is likely to remain muted year on year basis but, the demand from derivative exports are reported higher by 7.7% y/y.
- Ending stocks are expected to remain at seven year low on the back of drastic fall in production during last season amid good crushing demand.
- 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 01st September-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	0.41	0.19	21.4	0.30	-0.11
Assam	0.01			0.0		0.00
Bihar	0.00	0.01	0.00		0.01	-0.01
Gujarat	7.37	5.01	4.12	55.8	4.01	0.11
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	0.10	0.07	58.3	0.09	-0.02
Madhya Pradesh	0.02			0.0		0.00
Maharashtra	0.16	0.18	0.07	42.9	0.12	-0.05
Odisha	0.12	0.06	0.05	43.7	0.06	0.00
Rajasthan	2.25	1.61	1.00	44.4	1.50	-0.50
Tamil Nadu	0.06	0.02	0.01	10.3	0.02	-0.01
Telangana	0.82	0.74	0.31	37.9	0.43	-0.12
Others		0.00	0.00		0.00	
All-India	11.84	8.15	5.84	49.3	6.56	-0.72

Castor seed area as on 1st September-2017 is around 5.84 lakh hectares which is down by 28.35% normal area as on date of 8.15 lakh hectares and down by 11% from last year area till date of 6.56 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, lower stocks and also lower area coverage.

Stake holders in cash market may opt for selling seed around Rs. 4450-4650 Rs. for profit 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.

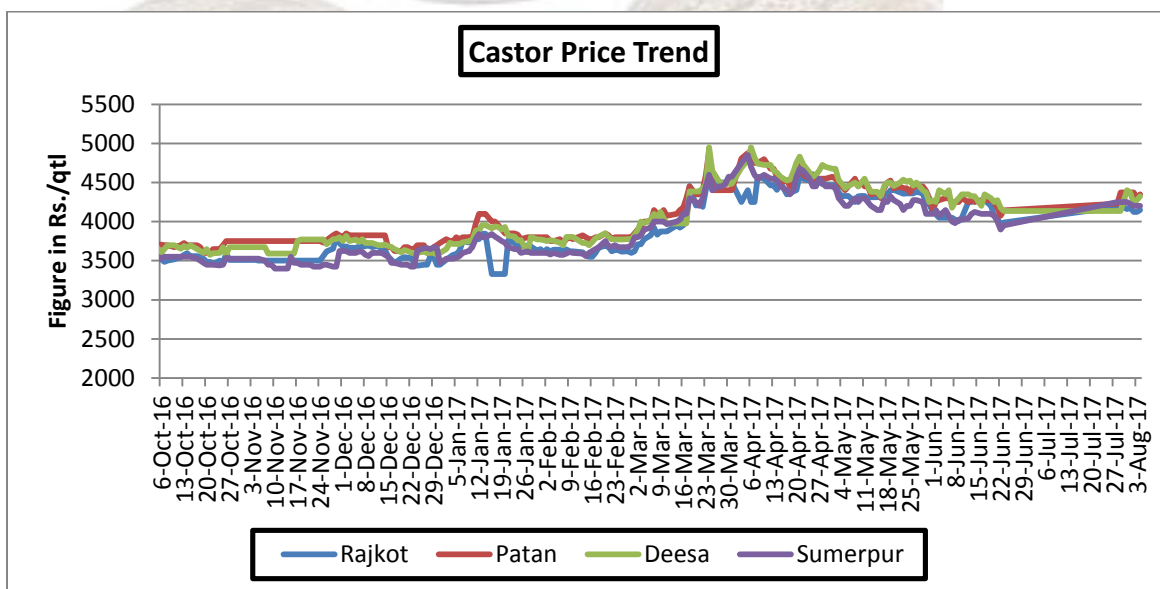
International market Outlook:

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.

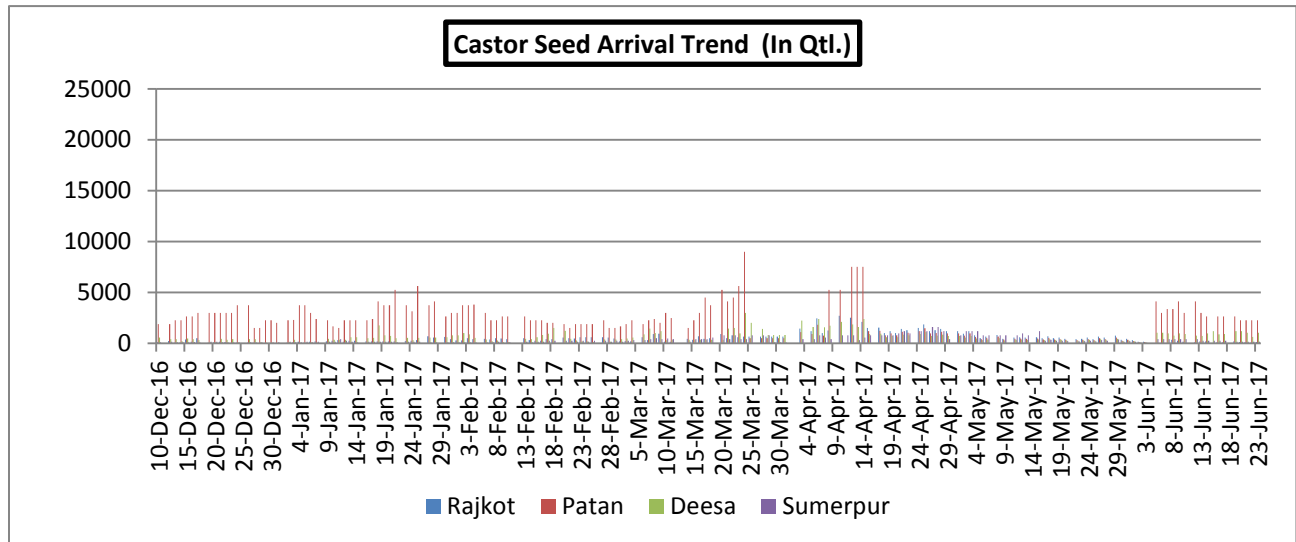
Castor Price Trend:



Source: Agriwatch

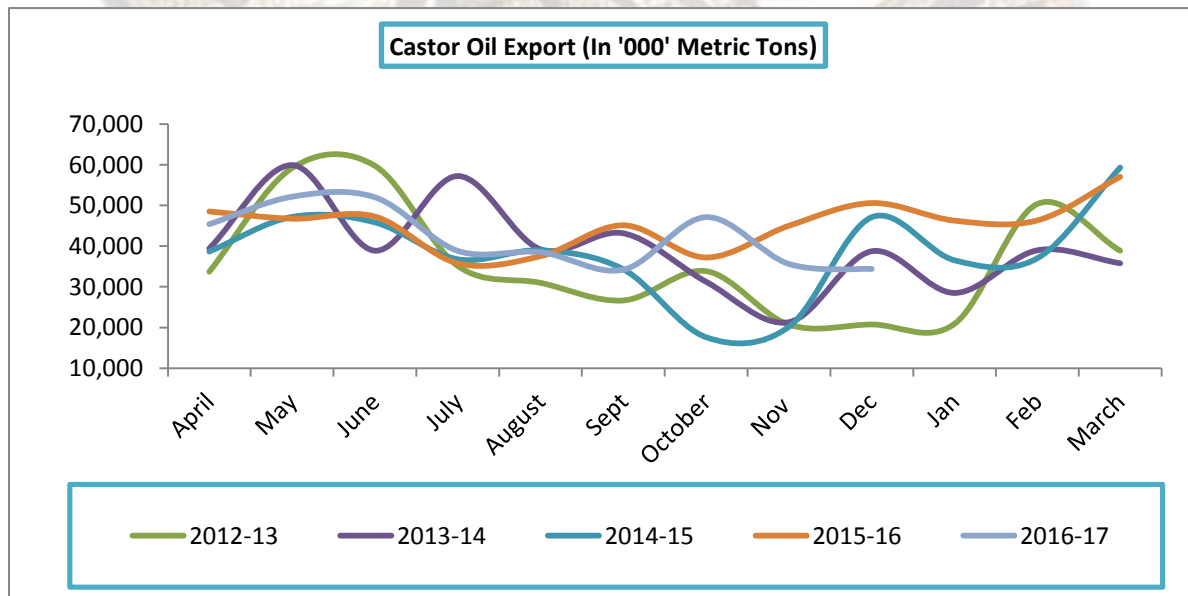
Castor Seed Arrival Chart:

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

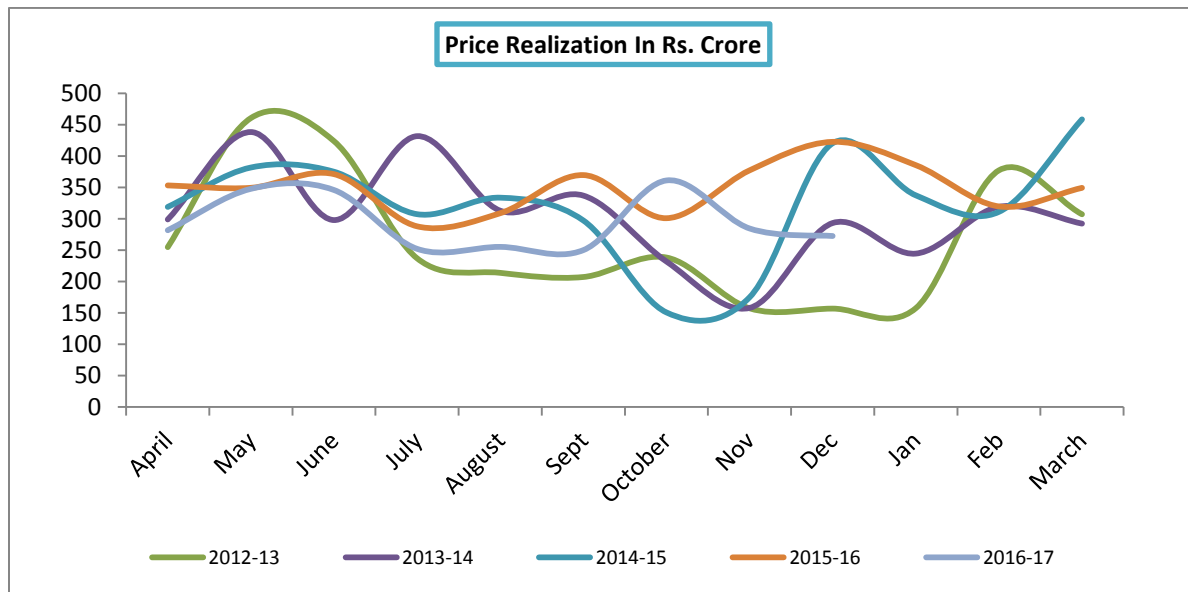


Source: Agriwatch

Castor Oil Export Trend:



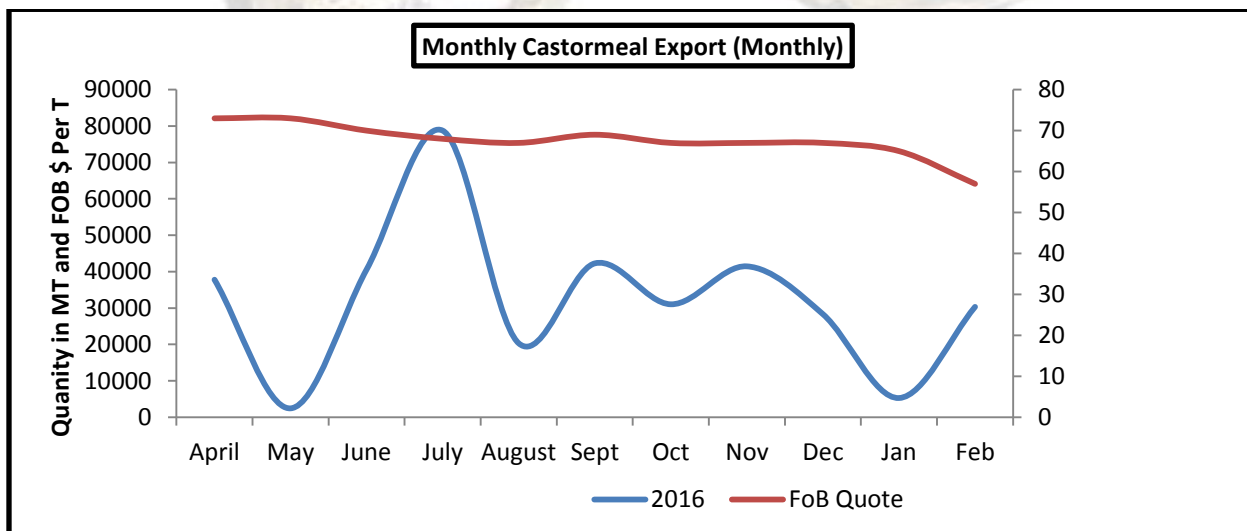
Source: Sea Of India



Source: Sea Of India

Castor Meal Export:

Meal exports during July'17 are reported lower by 52.4% m/m and 26.4% y/y. Meal exports till July are running lower by 18.9% y/y. For the year exports likely to remain lower by 16%. Meal exports are likely to pick up from this month onwards on the back of prevailing lower prices. Exports to Taiwan and Japan are expected to improve significantly this season. Domestic demand is kept higher by 14.1%, after increase of 9.2% during last season on the back of lower prices.



Source: Sea of India



State wise Wholesale Prices Weekly Analysis for Castor Seed 01st week September, 2017

State	Prices 01-08 Sep 2017	Prices 24-31 Aug 2017	Prices 01-08 Sep 2016	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	4138.11	4142.17	3206.59	-0.1	29.05
Gujarat	4376.03	4406.34	3528.21	-0.69	24.03
Karnataka	4117	4350	1935.48	-5.36	112.71
Madhya Pradesh	2850			---	---
Maharashtra		3675		---	---
Rajasthan	3821.35	4037.56	3437.32	-5.35	11.17
Telangana	4216.06	4215.51	3203.3	0.01	31.62
Average	3919.76	4137.76	3062.18		

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					
	24th August'17	18th August'17	24th July'17	24th August'16	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	45600	45450	NQ	35414	22.34
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	64	63	NQ	67.00	-4.69
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	4100	4050	NQ	4494	-9.61
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1520	1520	NQ	1106	27.24
Local rates for oil in domestic market(Rs./M.T.) for comm.	99000	98000	95500	75800	23.43

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: Wait

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	Sept	4453	4516	4581	4850	4900
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Sept	Wait	-	-	-	-

Castor Seed- Balance Sheet for 2017-18:

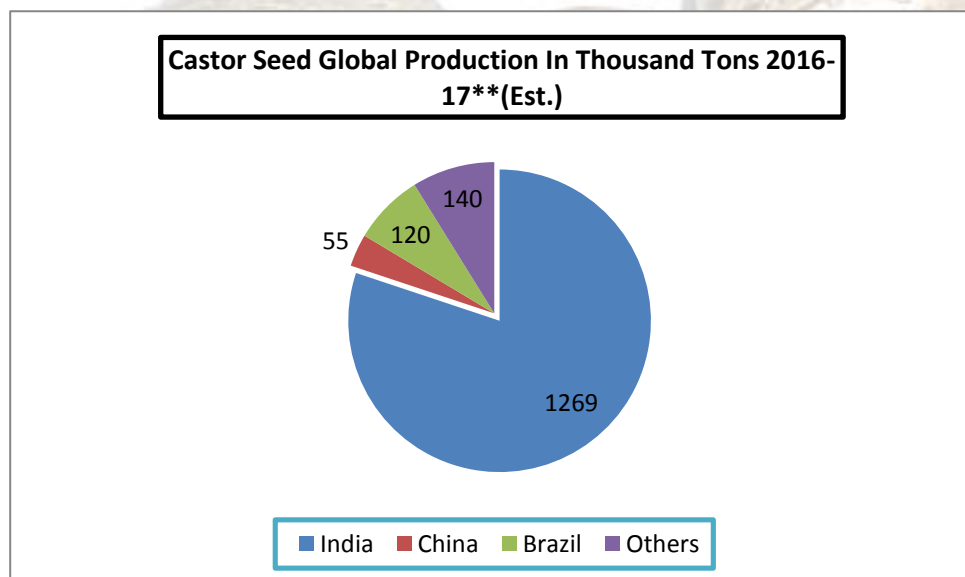
Agriwatch estimates for 2016/17 is remain same. Production shows around 14.42 percent lower side this year against 2015/16 season due to crop shifting from castor seed to other lucrative crops. Over all area would decline from 11.18(normal) to 9.90 lakh ha this year. The estimate is based on initial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

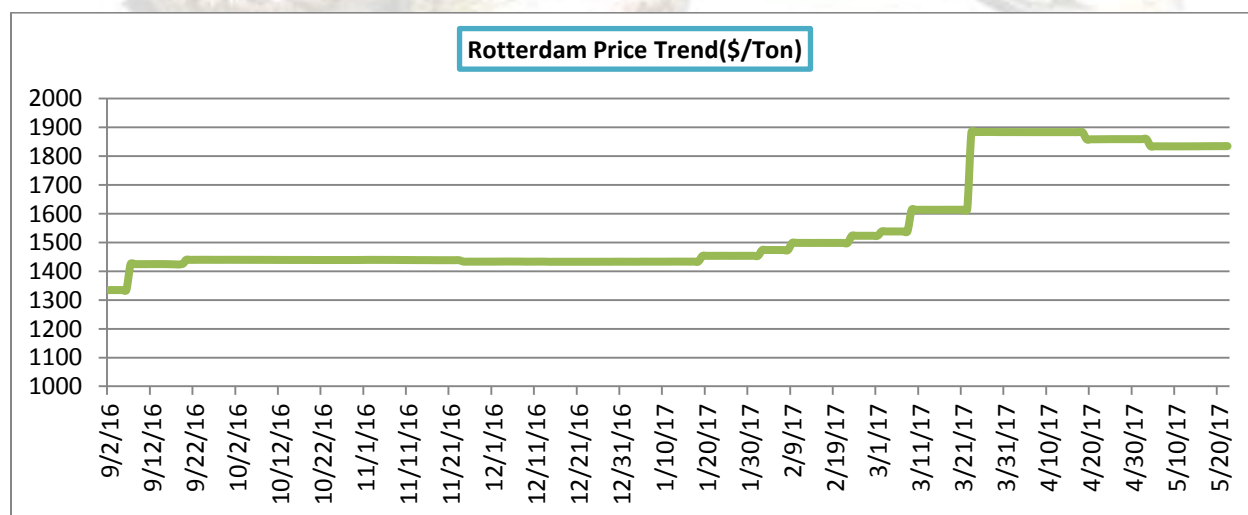
after May onwards. Less arrivals pace and improved oil demand will support castor prices hike further.

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 firm tone due to improved demand amid higher arrivals pace.



Castor Seed Weekly Prices at Key Spot Markets:

Commodity	Market	Price (Rs/ Quintal)		Change
Center		25th August to 01st September 2017	19th to 25th August 2017	
Gujarat	Patan	4503	4505	-2
	Harij	4455	4450	5
	Rajkot	4305	4230	75
	Gondal	4318	4285	33
	Deesa	4451	4452	-1
	Bhabar	NA	NA	-
	Mehsana	4425	4440	-15
	Kadi	4523	4554	-31
	Sabarkatha	4455	4471	-16
	Gandhi Nagar	4500	4500	Unch
	Ahmedabad (Sanand)	4307	4367.5	-61
	Halvad	4385	4420	-35
	Junagadh	4250	4308	-58
	Dhrol	3845	NA	-
Rajasthan	Jodhpur	4440	4482	-42
	Sumerpur	4350	4350	Unch

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		1-Sep-17	25-Aug-17	1-Aug-17	31-Aug-16
Gujarat	Patan	4500	Closed	4375	3525
	Harij	4425	Closed	4325	3500
	Rajkot	4280	NR	4175	3375
	Gondal	4305	4330	4255	3405
	Deesa	4480	Closed	4375	3415
	Bhabar	NA	NA	0	0
	Mehsana	4425	Closed	4325	3425
	Kadi	4480	Closed	4440	3475
	Sabarkatha	4425	4450	4375	3460
	Gandhi Nagar	4450	Closed	4400	3475
	Ahmedabad (Sanand)	4340	Closed	4205	3345
	Halvad	4350	4450	4180	3475
	Junagadh	4200	4280	4275	3430



	Dhrol	NA	Closed	3825	3135
Rajasthan	Jodhpur	4450	4200	4300	3116
	Sumerpur	4325	4350	4225	3350

Castor Seed Cumulative Arrivals in Key Centers:				
Center	Market	25th August to 01st September 2017	19th to 25th August 2017	Change
Gujarat	Patan	12825	23625	-10800
	Harij	2363	2925	-563
	Rajkot	525	101	424
	Gondal	1783	1180	603
	Deesa	1662	5065	-3403
	Bhabar	NA	NA	-
	Mehsana	5100	4875	225
	Kadi	11024	19647	-8623
	Sabarkatha	900	1013	-113
	Gandhi Nagar	3525	5475	-1950
	Ahmedabad (Sanand)	6	3	3
	Halvad	390	420	-30
	Junagadh	125	140	-15
	Dhrol	6	NA	-
Rajasthan	Jodhpur	338	475	-137
	Sumerpur	560	320	240
Total Arrivals/Above Markets		41131	65263	-24132

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