

Castor Weekly Research Report

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Castor Domestic Market Fundamentals:-

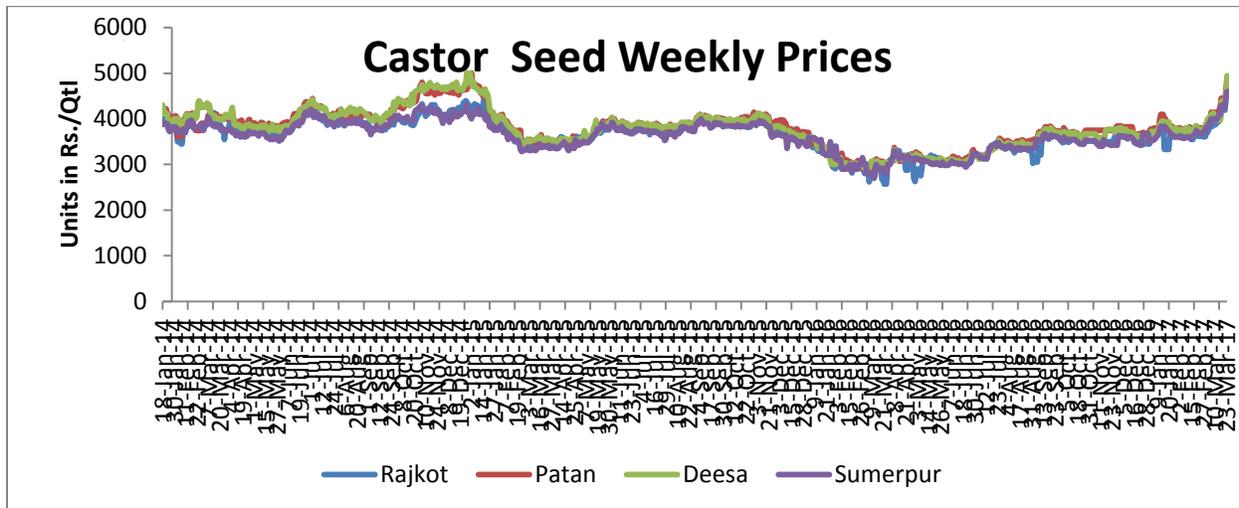
- **Firm tone are witnessed in the castor physical market due to good demand against lower supplies.** Buyers are aggressive in the market. Sellers are seen in wait and watch condition for further hike. Stockiest and millers are active in the market further to buy raw materials. In the long run, prices may go up in the long term as lower production estimates of this season. sometimes physical market are closed on account of financial year closing in March 2017. In the long run, prices may go up in the long term as lower production estimates of this season.
- **India exported castor meal higher at 30312 tonnes in February 2017 than 5263 tonnes in January 2017.** However, Castor meal exports volume is expected to go down in upcoming month on lower demand majorly in international markets. Average castor meal exports (April 2016 to February 2017) is registered higher at 414311 T against 367979 T in previous year during the same period of time. FOB quotes for meal stood down by 12.30% to \$57/T in February 2017 against \$65/T during the corresponding period of last year. South Korea bought 333576 tonne meal during April- February 2017.
- **According to the Solvent Extractors' Association of India (SEA), Castor seed production in 2016/17 is expected to stand down by 19% to 11.3 lakh tonnes compared to 14 lakh tonnes in previous year.** While, castor seed production for 2016/17 is placed down at 17.38 lakh tonnes against previous year record i.e. 17.52 lakh tonne as per the second advance estimates by the ministry of agriculture department.
- **Castor oil export of India decreased by 3.44 percent to 34380 MT during December-2016/17 season against 35608 MT in 2015/16 season in the same period of time.** Total coffee exports of 2016/17 so far is registered down by 30.39% to 378146 as compared to 543274 MT in the same period of time in last year. Export pace is expected to go down as availability of oil is higher and slow buying activities in international market. India exported castor oil at Rs.272.74 crore per tonne in December-2016, down by 4.22% from previous month record. Total FoB quote of this season 2016/17 stood at Rs. 2652.70 crore compared to Rs. 4198.19 crore in previous season.
- **As per recent second advanced estimates of Haryana agriculture department, castor seed crop production, Area and Yield for the season 2016/17 are estimated at 1.3(000 Tonnes), 1 (000 hect.) and 1267(kgs./ hect.).**
- **This year preliminary Agriwatch estimate for 2017/18 shows 10. 67 lakh tonne 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 tonne given the normal weather condition. Agriwatch would revise preliminary estimate in November-2017.

Outlook & Recommendation:- Overall market sentiment is likely to go up in the short to medium term. Agriwatch expects remain uptrend in upcoming weeks after good demand.

Stake holders in cash market may opt for buying seed around Rs. 4450 to 4800 Rs. for stock purpose.

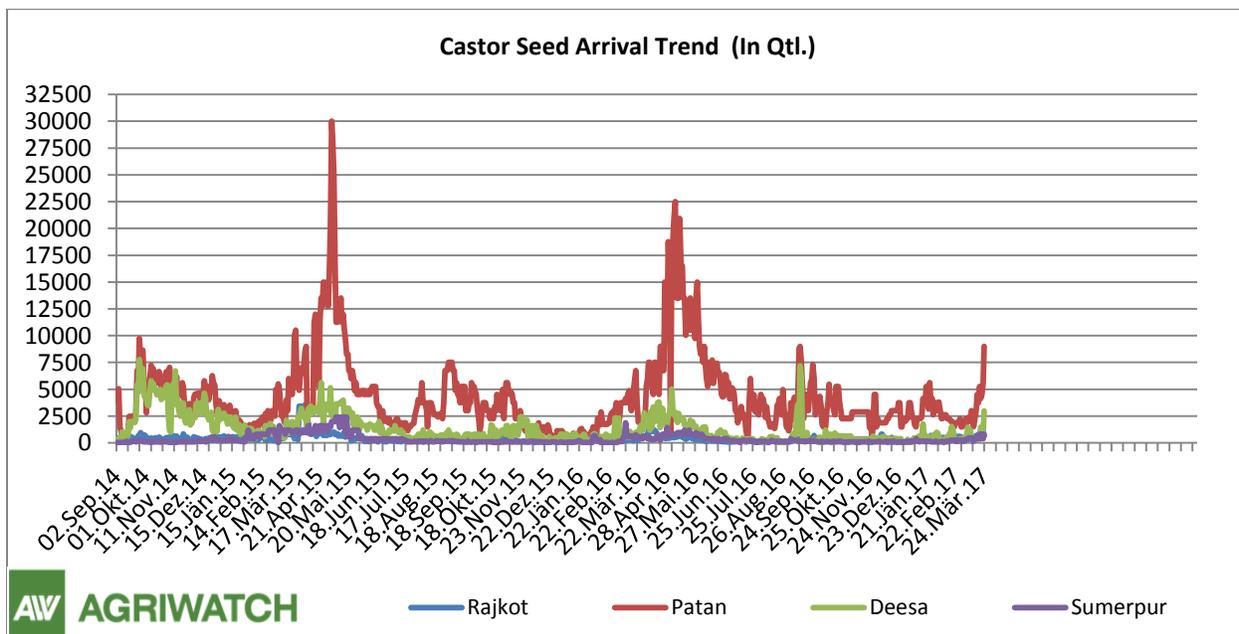
Castor Seed Price Trend Chart:-

Ups and downs trend were seen during this week ahead lower arrivals and good demand. Despite good yield of this season, production are likely to decrease which will help to increase price in long term. On Weekly front, prices are likely to go up supported by good demand.



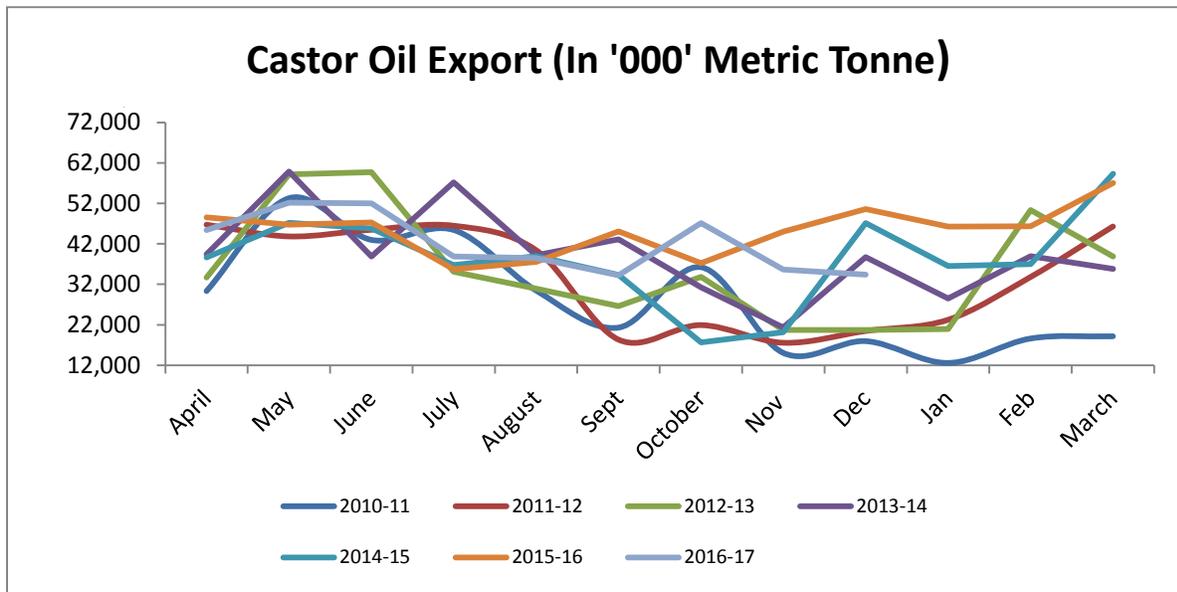
Source: Agriwatch

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 up in the upcoming week after good prices.

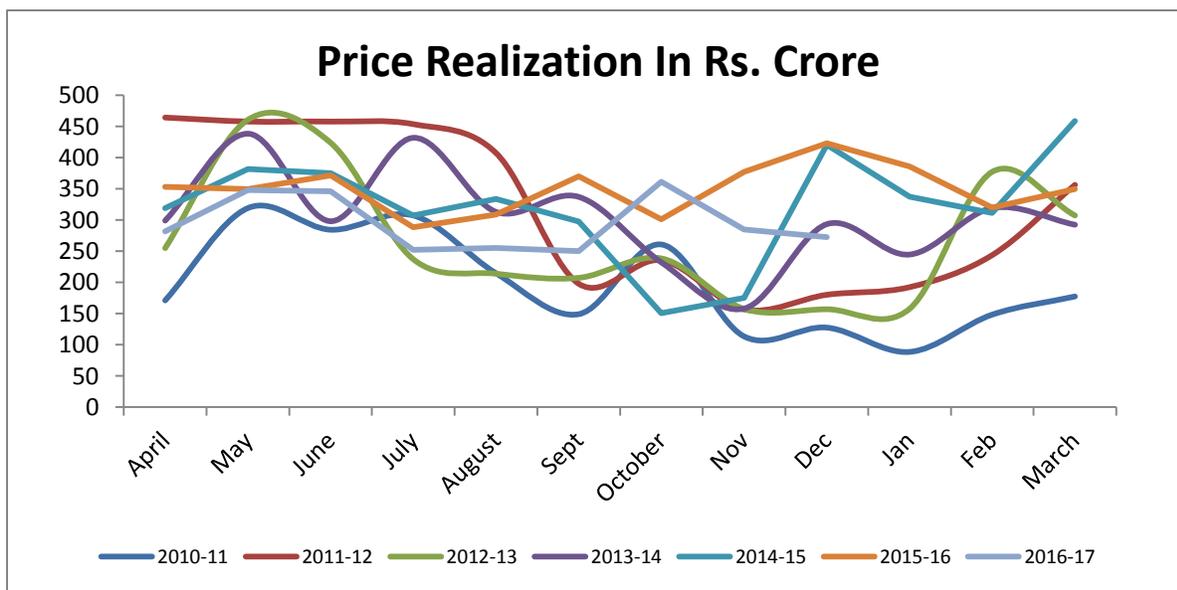


Source: Agriwatch

Castor Oil Export Trend:-

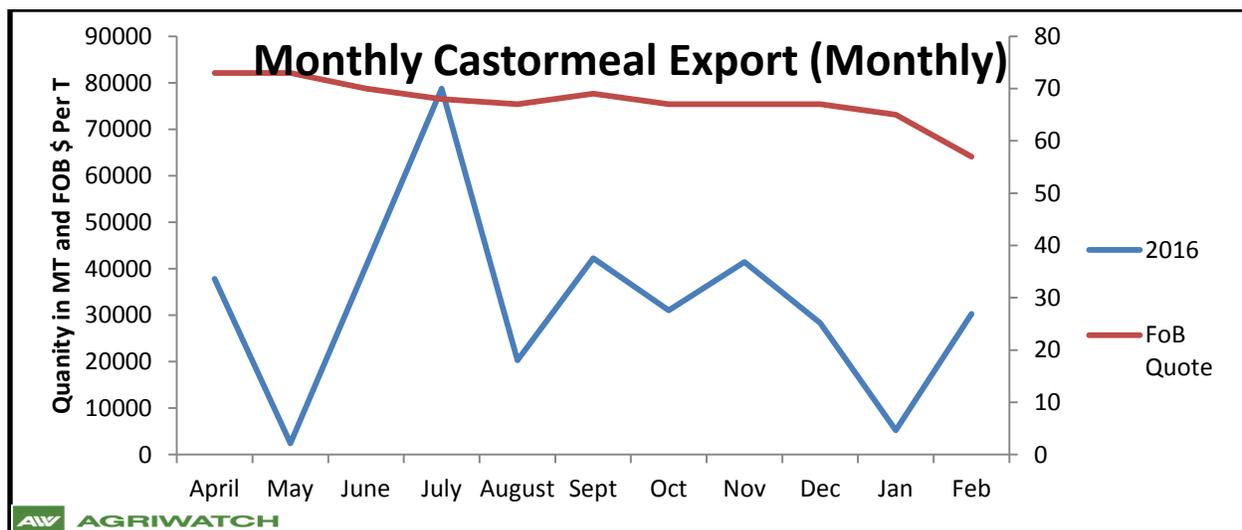


Source: Sea Of India



Source: Sea Of India

Castor Meal Export:- India exported castor meal higher at 30312 tonnes in February 2017 than 5263 tonnes in January 2017. However, Castor meal exports volume is expected to go down in upcoming month on lower demand majorly in international markets. Average castor meal exports (April 2016 to February 2017) is registered higher at 414311 T against 367979 T in previous year during the same period of time. FOB quotes for meal stood down by 12.30% to \$57/T in February 2017 against \$65/T during the corresponding period of last year. South Korea bought 333576 tonne meal during April- February 2017.



source: Sea of India

State wise Wholesale Prices Weekly Analysis for Castor Seed Fourth week March, 2017

State	Prices 24-31 Mar 2017	Prices 16-23 Mar 2017	Prices 09-15 Mar 2017	Prices 24-31 Mar 2016	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3962.36	3840.8	3566.67	3141.01	3.16	11.09	26.15
Gujarat	4592.77	4364.83	4024.3	2948.32	5.22	14.13	55.78
Karnataka	3617.39	3462.5	3400	3069.67	4.47	6.39	17.84
Maharashtra	3525.45	3117.69	3050	2875	13.08	15.59	22.62
Rajasthan	4570.79	4204.26	3991.92	2862.33	8.72	14.5	59.69
Tamil Nadu	4150	2678.29	3810	2902	54.95	8.92	43
Telangana	3983.85	4040.43	3496	3154.81	-1.4	13.95	26.28
Average	4057.52	3672.69	3619.84	2993.31			

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)	4400-4800	4650-4990
Medium Term (30 days)	4450-4950	4700-5100

Comparative Prices Of Castor Products Including Seed

	24th Mar'17	17th Mar'17	24th Feb'17	24th Mar'16	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	50150	43150	NQ	31029	38.13
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	630	62	NQ	74	88.25
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	4050	4000	NQ	4856	-19.90
Castor Oil (First Grade) FOB Kandla (Export)\$/Tonne	1650	1400	NQ	946	42.67
Local rates for oil in domestic market(Rs./M.T.) for comm.	105000	95000	NQ	64448	38.62

Source: SEA.

Technical Analysis:
Castor – Technical Outlook
Technical Commentary:

- Prices are likely to go up in upcoming week supported by active buying activities in the market.
- On the other hand lower Volume and higher prices indicates short covering phase of the market.


Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	Apr	4500	4640	4807	5200	5430
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Apr	Buy	4800	5090	5200	4720

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 tonne this year.

The season started with 5.91 lakh tonne as carryout. Thus total availability for current MY comes to 18.6 lakh tonne if estimated production of 12.69 lakh tonne is included. Lower production would drag carryout down from 5.91 to 5.35 lakh tonne. It would push seed price up in second and third quarter.

Preliminary Forecast For 2017-18										
All units in lakh tonnes	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Apr-Jun	July-Sep	Oct-Dec	Jan-Mar
Carry in	5.8	6.84	6.04	5.54	5.91	5.35	5.35	9.65	5.00	1.90
Production	13.04	11.7	13	15.12	12.94	10.5	10.5	0	0	0
Imports	0	0	0	0	0	0	0	0	0	0
Total Availability	18.84	18.54	19.04	20.66	18.85	15.85	15.85	9.65	5.00	1.90
Consumption	12	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	0
Total Usage	12	12.5	13.5	14.75	13.5	15.5	6.2	4.65	3.1	1.55
Carry out	6.84	6.04	5.54	5.91	5.35	0.35	9.65	5.00	1.90	0.35
Av Monthly Consumption	1.00	1.04	1.13	1.23	1.13	1.29	2.07	1.55	1.03	0.52
Stock to Month Use	6.84	5.80	4.92	4.81	4.76	0.27	4.67	3.23	1.84	0.68
Stock to Consumption Ratio	0.570	0.483	0.41	0.40	0.40	0.02	1.56	1.08	0.61	0.23

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Castor Seed Weekly Prices at Key Spot Markets:

Commodity	Market	Price (Rs/ Quintal)		Change
		25th to 31th March 17	18th to 24th March 17	
Center				
Gujarat	Patan	4400	4508	-108
	Harij	4550	4617	-67
	Rajkot	Closed	4377	-
	Gondal	4430	4295	135
	Deesa	4552	4560	-8
	Bhabar	4845	4353	493
	Mehsana	4475	4540	-65
	Kadi	4575	4598	-23
	Sabarkatha	4558	4510	48
	Gandhi Nagar	4600	4550	50
	Ahmedabad (Sanand)	4479	4451	28
	Halvad	4810	4322	488
	Junagadh	4515	4361	154
	Dhrol	Closed	4093	-
Rajasthan	Jodhpur	4588	4530	58
	Sumerpur	4470	4350	120

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
		31-Mar-17	24-Mar-17	28-Feb-17	31-Mar-16
Center					
Gujarat	Patan	Closed	4900	3800	3035
	Harij	Closed	5050	3775	3025
	Rajkot	Closed	4760	3600	2925
	Gondal	Closed	4755	3705	3055
	Deesa	Closed	4950	3770	3045
	Bhabar	Closed	4800	3710	3025
	Mehsana	Closed	4900	3800	3030
	Kadi	Closed	5000	3825	3000
	Sabarkatha	Closed	4900	3760	3025
	Gandhi Nagar	Closed	4850	3810	3075
	Ahmedabad (Sanand)	Closed	4650	3725	2920
	Halvad	Closed	4610	3660	3050
	Junagadh	Closed	4750	3650	3055
	Dhrol	Closed	4455	3350	2870
Rajasthan	Jodhpur	4640	4770	3760	3000

Sumerpur	Closed	4600	3700	3100
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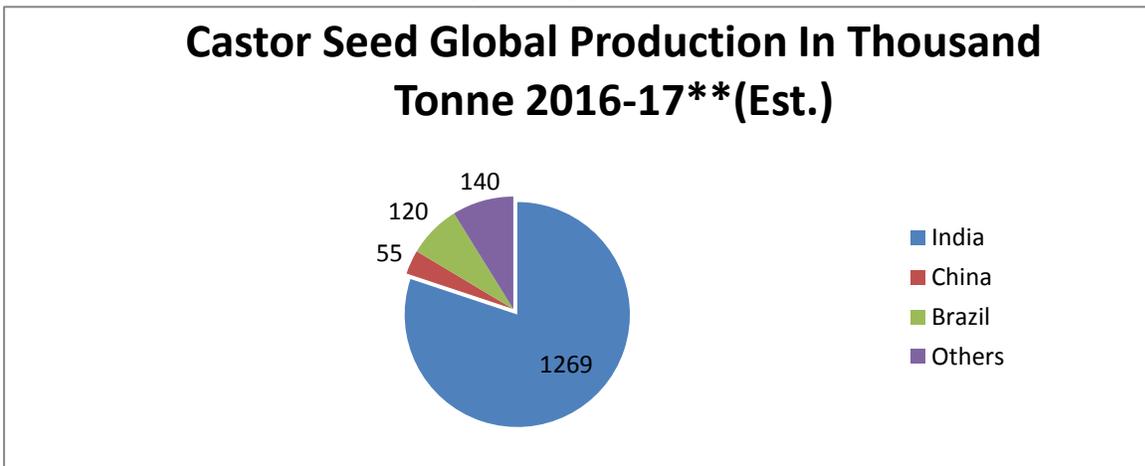
Castor Seed Cumulative Arrivals in Key Centers:				
Center	Market	25th to 31th March 17	18th to 24th March 17	Change
Gujarat	Patan	11250	32250	-21000
	Harij	3750	12150	-8400
	Rajkot	Closed	3975	-
	Gondal	1910	8517	-6607
	Deesa	4216	6894	-2678
	Bhabar	NR	NR	-
	Mehsana	1875	7200	-5325
	Kadi	2640	43512	-40872
	Sabarkatha	1575	3375	-1800
	Gandhi Nagar	1125	7200	-6075
	Ahmedabad (Sanand)	194	321	-127
	Halvad	300	1275	-975
	Junagadh	40	535	-495
Dhrol	Closed	128	-	
Rajasthan	Jodhpur	345	293	53
	Sumerpur	2560	3760	-1200
Total Arrivals/Above Markets		31780	131385	-99605

Outlook & Recommendation:

Castor seed market is likely to continue up in the first week of April 2017 as demand is going to remain up. Millers and crushers are likely to be active in the market. Less arrivals pace and improved oil demand will support castor prices hike further.

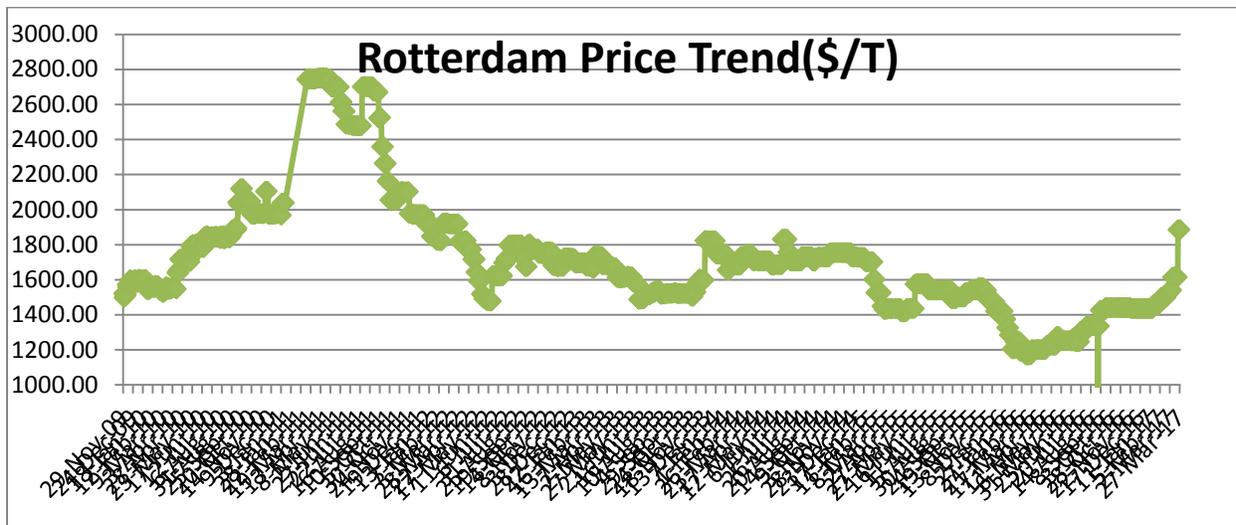
International market update:

There is no change in Global Castor Seed supply –demand side. Production is expected to decrease from 18.37 lakh tonne to 15.84 lakh tonne in 2016-17 due to lower crop size expected in India this year. Total availability for seed would decrease to 20 lakh tonne including Indian carryout stock of 5.91 lakh tonne. 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 slightly decreased in this week against previous week record to the fourth week of March 2017. It stood as \$1883.70 per tonne against 1613.80. 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.

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