



# Castor Weekly Research Report

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### Castor Domestic Market Fundamentals:

- All India average castor price is around Rs.3694/quintal which is up from last week price of Rs.3552/quintal and up by 11.44% from same period last year price of Rs.3315/quintal.
- In 02<sup>nd</sup> week of November, all India arrival of castor seed is 38131 quintals which is 3561 quintals lower than last week arrival of 41691 quintals.
- For Central India, which is the key castor seed growing region, IMD had forecasted monsoon rainfall of 100% of the LPA Sowing activities commenced from middle of June'17 in a slower pace, which has improved extensively after gain in prices at physical market and on good rainfall in Gujarat, Rajasthan and Andhra Pradesh.
- Overall Castor area in Gujarat is likely to down by 5-10% from last year which may not affect the production much, but due to late sowing in major producing areas, yield may affect to certain level which would affect the production in coming season.
- 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 latest data, area sown in Gujarat was at 5.96 lakh hectares, up by 5.67% Y/Y and it is 53% of total seasonal area while in Rajasthan, sowing is complete in 1.66 lakh hectares, lower by 7% Y/Y which is 24% of total seasonal area.

### Castor Seed Sowing Updates as on 13<sup>th</sup> October September-2017 (in Lakh Hectare):

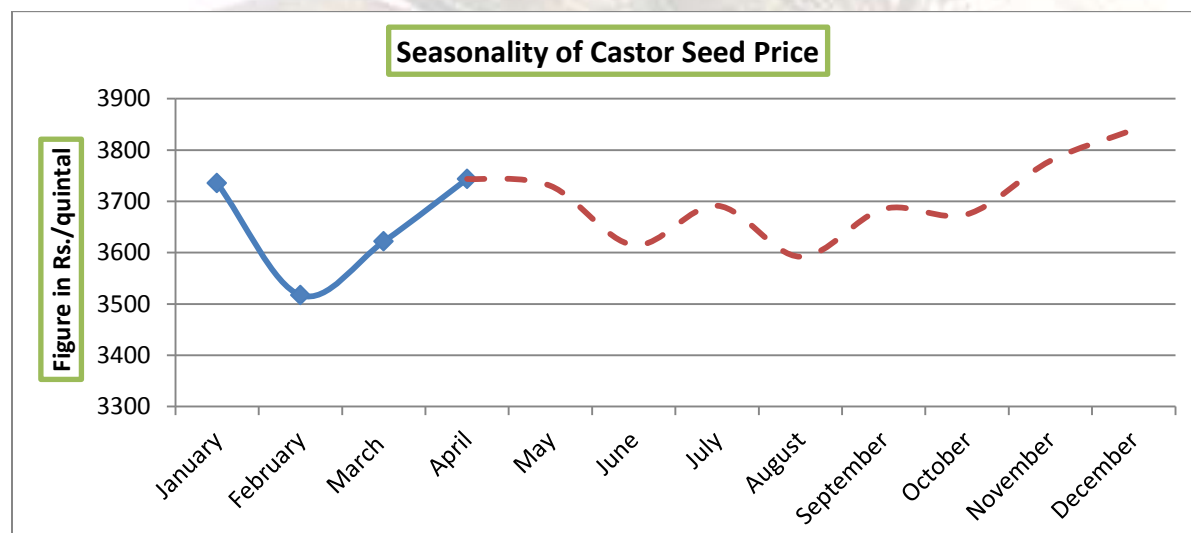
State	Area(2017)	Last Year(2016)	% Change	Normal Area
Gujarat	5.96	5.64	5.67	7.37
Rajasthan	1.6	1.72	-6.98	2.25
Telangana	0.31	0.43	-27.91	0.82
Andhra Pradesh	0.33	0.43	-23.26	0.89
Karnataka	0.07	0.11	-36.36	0.12
Maharashtra	0.07	0.12	-41.67	0.16

Others	0.38	0.33	15.15	0.23
<b>Total</b>	<b>8.45</b>	<b>8.59</b>	<b>-1.63</b>	<b>11.84</b>

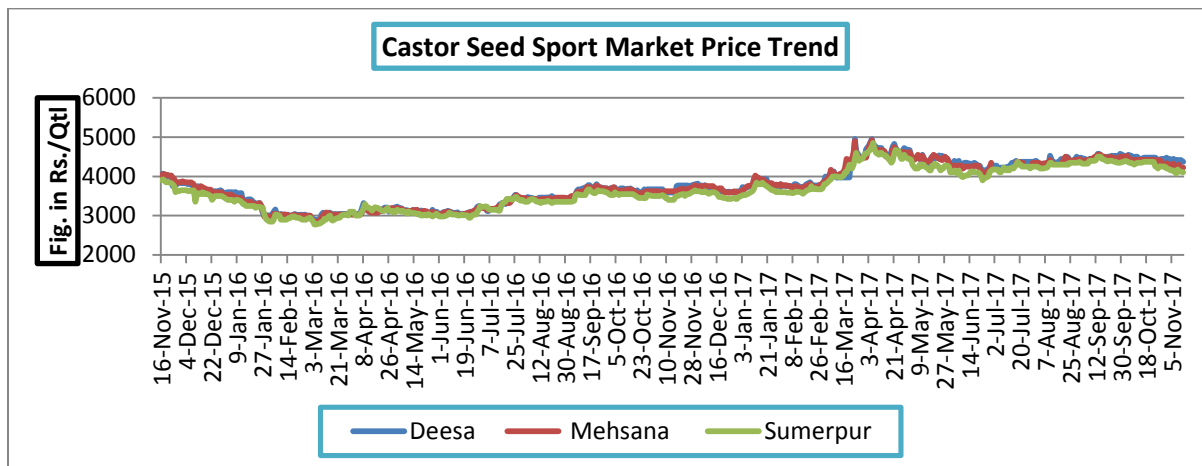
As per the data from Agriculture Ministry, castor acreage in Gujarat increase by 5.67% till Oct-13, 2017 to 5.96 lakh hectares as compared to 5.64 lakh hectares last year while Rajasthan recorded a down of 6.98% in area to 1.6 lakh hectares in the same time frame. Overall area is slightly down from last year which may not affect the production much but late sowing in major growing states (Gujarat and Rajasthan) could affect the final yield to some extent.

**Stake holders in cash market may opt for selling seed around Rs. 4550-4750 Rs. for profit purpose.**

### Seasonality of Castor Seed Price



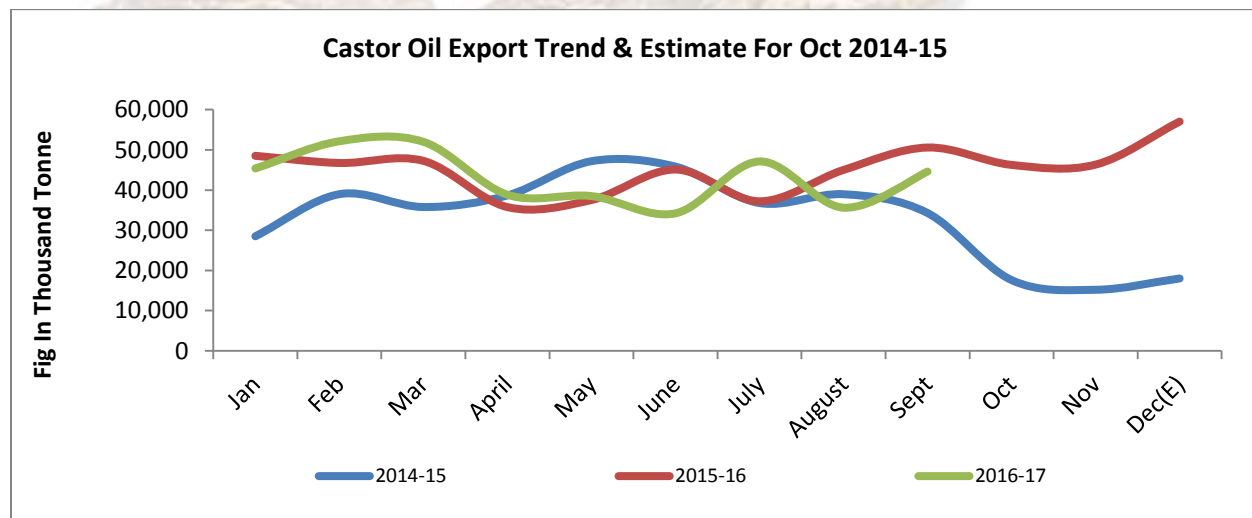
### Castor Price Trend:



Source: Agriwatch

Indian castor seed market was in bearish trend during the period from April 2017 to June 2017 mainly because of sluggish overseas demand for meal as well poor demand from the domestic market. After slipping to six month low, prices have seen decent recovery from middle of June'17 on tight supplies of quality seeds mainly in north Gujarat region

### Castor Oil Export Trend:

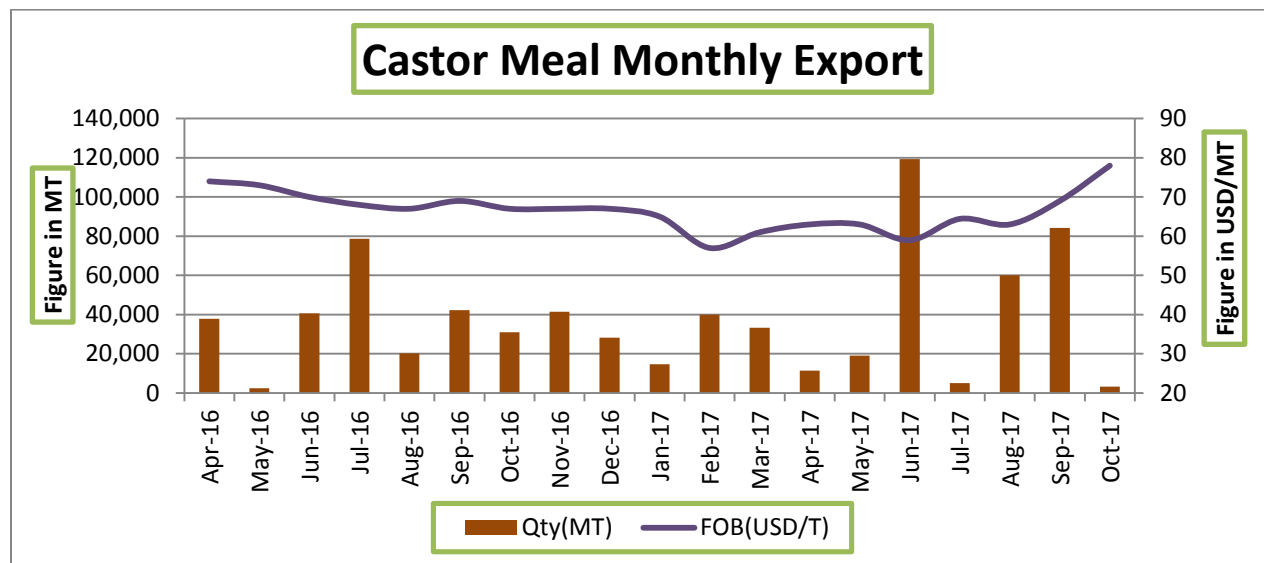


Source: Sea Of India

As per latest data released by SEA of India, Castor oil export in the month of September was 44591 thousand tons which is up by 25% from last month export of 35608 thousand tons and 12% down from corresponding period last year export of 50578 thousand tons. Weakened demand from the international market due to higher prices of castor seed in domestic market led to lower exports. However, in the first two month of FY2017-18, total castor oil exported was around 1 lakh tons, which is up by 2% Y/Y on higher consumption demand from US, Netherland, Russia and Japan

### Castor Meal Export:

Despite lower FOB prices, total castor meal export from India has shrunk by 14% Y/Y in FY-2016-17 due to sluggish demand from major importing countries during the first quarter of FY2017-18, India had exported 0.84 lakh tons of castor meal, increased by 4% Y/Y Japan, Taiwan and France were the top importers of Indian castor meal for the 2016-17.



Source: Sea of India

### State wise Wholesale Prices Weekly Analysis for Castor Seed 02<sup>nd</sup> week November, 2017

State	Prices 09-15 Nov 2017	Prices 01-08 Nov 2017	Prices 09-15 Nov 2016	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3413.62	3362.33	3209.99	1.53	6.34
Gujarat	4212.62	4294.06	3517.31	-1.9	19.77
Karnataka	4021.33	4009.92		0.28	---
Maharashtra		3100		---	---
Rajasthan	3450	3514.69	3339.57	-1.84	3.31
Tamil Nadu	3600	2940		22.45	---
Telangana	3462.33	3641.44	3189.38	-4.92	8.56
Average	3693.32	3551.78	3314.06		

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)	4350-4500	4550-4700
Medium Term (30 days)	4600-4750	4750-4900

### Comparative Prices Of Castor Products Including Seed

	27th October' 17	18th October' 17	27th Septembe r'17	27th October' 16	CHAN GE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	45690	NA	46150	37414	18.11
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	79.00	NA	11.27	17.91	77.33
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	5050	NA	4500	4374	13.39
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1520	NA	1510	1179	22.43
Local rates for oil in domestic market(Rs./M.T.) for comm.	96500	97500	98000	78035	19.13

Source: SEA.

### Technical Analysis:

#### Castor – Technical Outlook

#### Technical Commentary:

- Prices are likely to move steady to weak in coming week .
- Decrease in prices with higher volume and OI indicates short build up.



Strategy: Sell



Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	Oct	4100	4200	4344	4550	4700
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Oct	<b>Sell</b>	4370	4350	4325	4398

### 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.

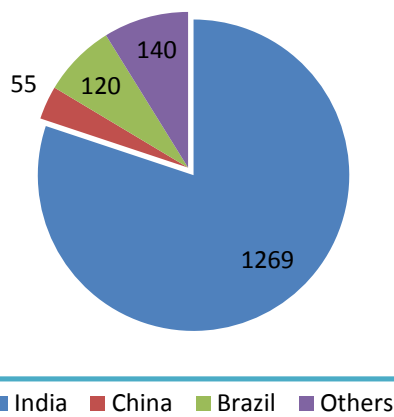
### Castor Seed Supply & Demand for MY-2017-18:

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:

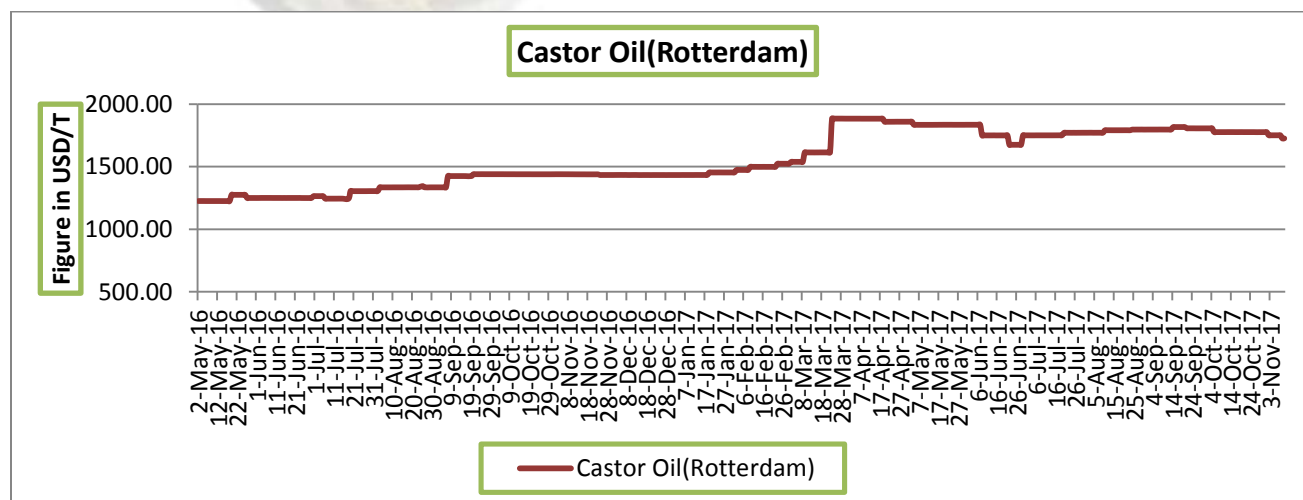
**Castor Seed Global Production In Thousand Tons 2016-17\*\*(Est.)**



### 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:





Source: Agriwatch

**Outlook:**

Despite of lower production during FY2016-17, supply side is expected to be comfortable with decent beginning stocks on the back of lower export volumes in 2016-17; however, recent heavy rainfall in Northern Gujarat and South-East region of Rajasthan has resulted in flood situation which has raised the quality concerns of the stocks stored in the warehouses. On demand front, aggressive purchasing activities by the stockiest as well as crushing units for creating inventories of quality seed may also support the prices positively

**Castor Seed Weekly Prices at Key Spot Markets:**

Commodity	Market	Price (Rs/ Quintal)		Change
Center		4th to 10th November 2017	28th October to 3rd November 2017	
Gujarat	Patan	4357	4383	-27
	Harij	4283	4406	-124
	Rajkot	4171	4243	-73
	Gondal	4130	4295	-165
	Deesa	4413	4442	-29
	Bhabar	4310	4350	-40
	Mehsana	4285	4298	-13
	Kadi	4322	4401	-79
	Sabarkatha	4300	4370	-70
	Gandhi Nagar	4350	4421	-71
	Ahmedabad (Sanand)	4255	4273	-18
	Halvad	4275	4254	21
	Junagadh	NA	4179	-
	Dhrol	3790	3255	535
	Jodhpur	4282	4280	2
Rajasthan	Sumerpur	4129	4204	-75

**Week on Week Price: Scenario of Castor Seed :**

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		10-Nov-17	3-Nov-17	10-Oct-17	10-Nov-16
Gujarat	Patan	4300	4400	4495	3645
	Harij	4250	4350	4500	3690
	Rajkot	4145	4205	4330	3500
	Gondal	4105	4180	4330	3580
	Deesa	4375	4450	4500	3590

	Bhabar	4260	4350	NA	NA
	Mehsana	4300	4300	4410	3625
	Kadi	4300	4350	4490	3600
	Sabarkatha	4250	4350	4425	3600
	Gandhi Nagar	4275	4400	4500	3575
	Ahmedabad (Sanand)	NA	4290	4250	NA
	Halvad	4275	4350	4300	3525
	Junagadh	NA	4100	4300	3520
	Dhrol	NA	NA	4080	NA
<b>Rajasthan</b>	Jodhpur	4250	4300	4500	3580
	Sumerpur	4120	4150	4350	3400

<b>Castor Seed Cumulative Arrivals in Key Centers:</b>				
<b>Center</b>	<b>Market</b>	<b>4th to 10th November 2017</b>	<b>28th October to 3rd November 2017</b>	<b>Change</b>
<b>Gujarat</b>	Patan	10125	12525	<b>-2400</b>
	Harij	2288	675	<b>1613</b>
	Rajkot	850	785	<b>65</b>
	Gondal	1244	908	<b>336</b>
	Deesa	7400	7320	<b>80</b>
	Bhabar	3260	7220	<b>-3960</b>
	Mehsana	2175	1613	<b>563</b>
	Kadi	7984	7200	<b>784</b>
	Sabarkatha	398	450	<b>-53</b>
	Gandhi Nagar	938	1125	<b>-188</b>
	Ahmedabad (Sanand)	3	3	<b>Unch</b>
	Halvad	548	390	<b>158</b>
	Junagadh	NA	270	<b>-270</b>
	Dhrol	1	4	<b>-3</b>
<b>Rajasthan</b>	Jodhpur	398	484	<b>-86</b>
	Sumerpur	521	720	<b>-199</b>
<b>Total Arrivals/Above Markets</b>		<b>38131</b>	<b>41691</b>	<b>-3561</b>

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