



# Castor Weekly Research Report

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**Castor Domestic Market Fundamentals:**

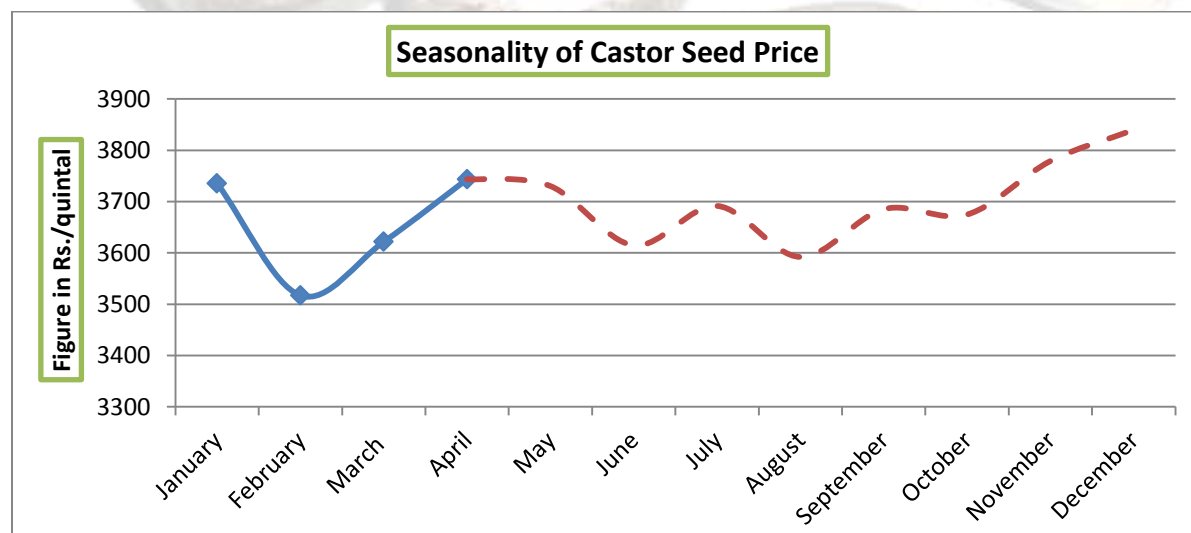
- All India average castor price is around Rs.4074/quintal which is up from last week price of Rs.3888/quintal and up by 24.06% from same period last year price of Rs.3285/quintal.
- Castor seed prices is likely to trade firm in coming week of December as demand from local buyers is higher than supply in the markets. Daily requirement of traders is around 5-6 lakh bags however daily supply is only 2-2.5 lakh bags.
- Fresh arrival of castor seed is around 2-3 months away and stock of seed is only with big stockiest, also there is report of yield loss in some districts; all these factors drive the castor seed price accordingly.
- Monthly demand from local as well overseas buyers is 20-25% higher than last year and stock in pipeline is lower, which may also push the seed price towards northward direction till the pressure of new crop hits in the markets.
- 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 tons compared to 14 lakh tons in previous year. While, castor seed production for 2016/17 is placed down at 15.54 lakh tons against previous year record i.e. 17.52 lakh tons as per the second advance estimates by the ministry of agriculture department.
- 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.
- Castor weekly cast market is traded weak in 02<sup>nd</sup> Week of December-2017 even with lower arrival, all India castor seed arrival is 25207 quintals which is 1032 quintals lower than last week arrival of 26239 quintals.

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

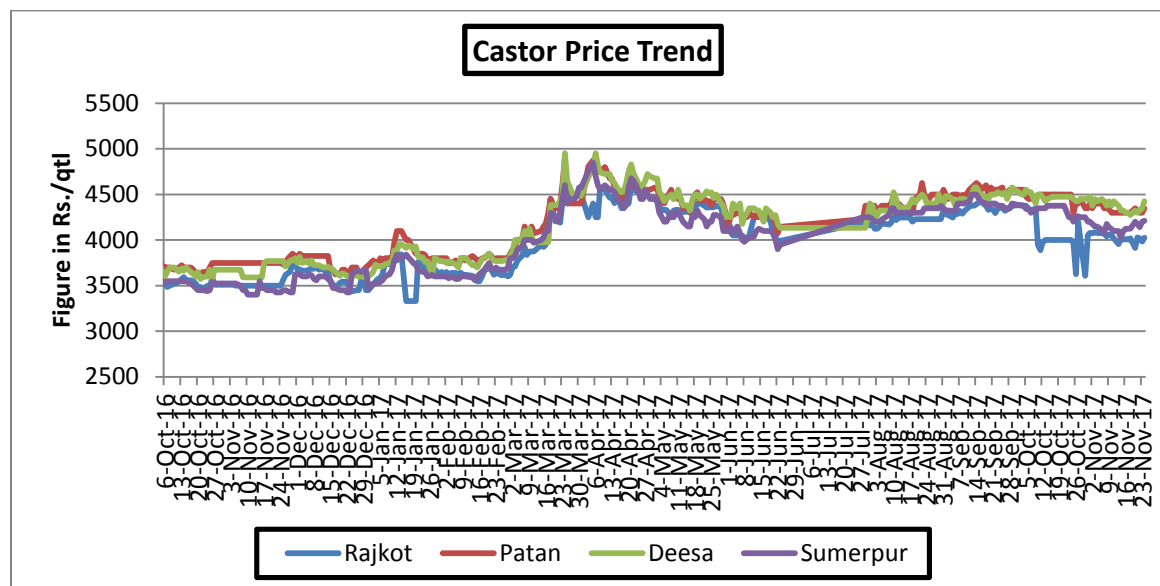
State	Area(2017)	Last Year(2016)	% Change	Normal Area
Gujarat	5.96	5.64	5.67	7.37
Rajasthan	1.6	1.72	-6.98	2.25
Telangana	0.31	0.43	-27.91	0.82
Andhra Pradesh	0.33	0.43	-23.26	0.89
Karnataka	0.07	0.11	-36.36	0.12
Maharashtra	0.07	0.12	-41.67	0.16
Others	0.38	0.33	15.15	0.23
<b>Total</b>	<b>8.45</b>	<b>8.59</b>	<b>-1.63</b>	<b>11.84</b>

Stake holders in cash market may opt for buying seed around Rs. 4500-4550 for profit purpose.

#### Seasonality of Castor Seed Price



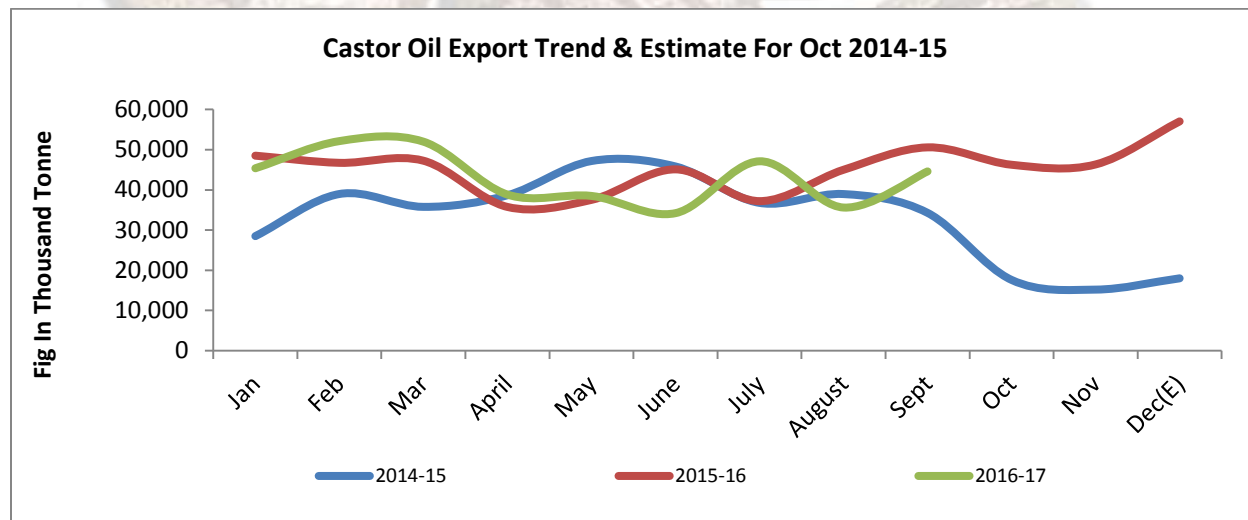
### Castor Price Trend:



Source: Agriwatch

Indian castor seed market was in steady trend during the period from Oct 2017 to Nov 2017, now prices are expected to trade firm in coming months due to lower supply, higher demand and late arrival.

### Castor Oil Export Trend:



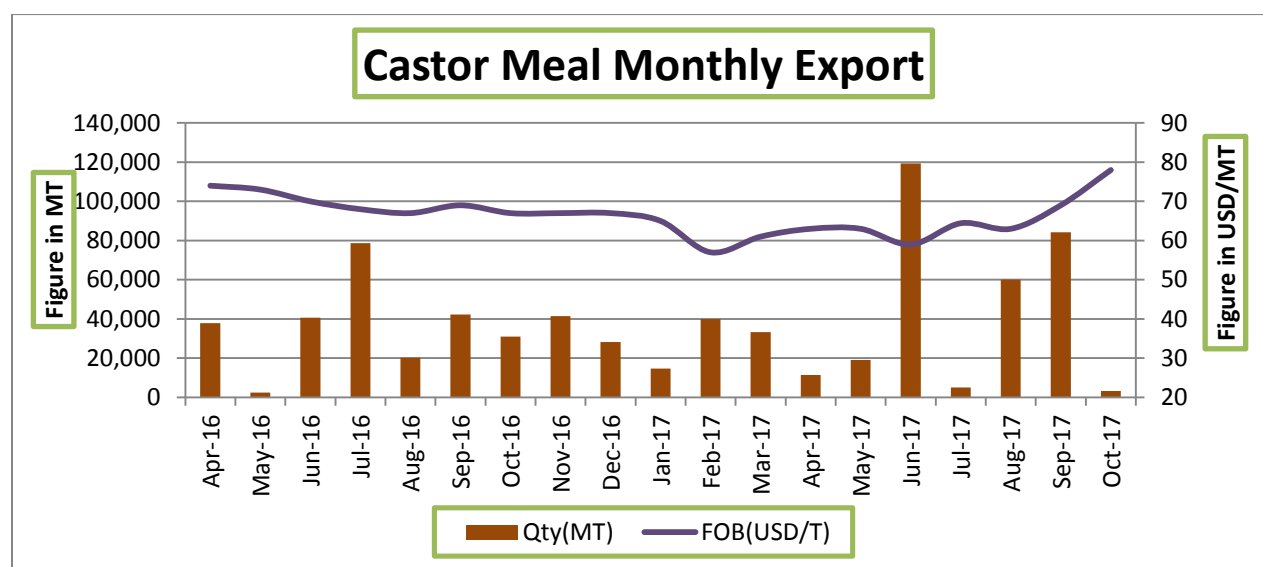
Source: Sea Of India

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 04<sup>th</sup> week December, 2017

State	Prices 24-31 Dec 2017	Prices 16-23 Dec 2017	Prices 24-31 Dec 2016	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3935.19	4020.67	2975.5	-2.13	32.25
Gujarat	4204.32	4287.76	3584.03	-1.95	17.31
Karnataka	4177.78	4200	3114	-0.53	34.16
Madhya Pradesh	4100	2900	3100	41.38	32.26
Rajasthan	4028.77	4119.8	3419.36	-2.21	17.82
Telangana	3994.9	3964.48	3091.27	0.77	29.23
Average	4073.49	3915.45	3214.03		

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)	4300-4500	4400-4600
Medium Term (30 days)	4350-4500	4750-4800

### Comparative Prices Of Castor Products Including Seed

	22nd December '17	15th December '17	22nd November '17	22nd December '16	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	44500	45050	44100	37644	15.41
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	79.00	79.00	80	67.00	15.19
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	5000	5000	5100	4365	12.70
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1470	1485	1445	1170	20.41
Local rates for oil in domestic market(Rs./M.T.) for comm.	94000	95000	93000	79885	15.02

Source: SEA.

### Technical Analysis:

#### Castor – Technical Outlook

#### Technical Commentary:

- Prices are likely to move steady to firm in coming 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	Oct	4300	4315	4425	4745	5009
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Oct	Buy	4430	4450	4460	4420

#### **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:**

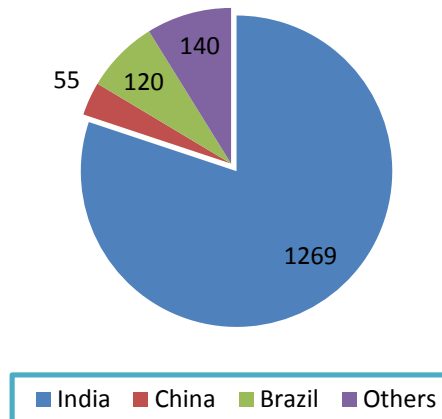
<b>Preliminary Forecast For 2017-18</b>									
<b>All units in lakh tonss</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>Apr-Jun</b>	<b>July-Sep</b>	<b>Oct-Dec</b>	<b>Jan-Mar</b>
Carry in	6.84	6.04	5.54	5.91	5.35	5.35	9.65	5	1.9
Production	11.7	13	15.12	12.94	10.5	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:**



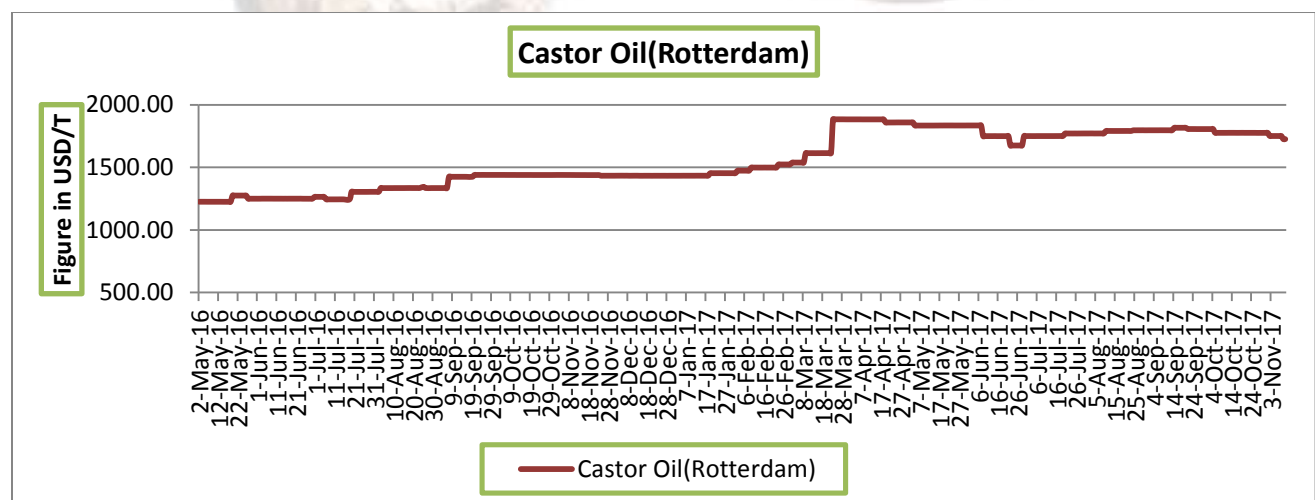
**Castor Seed Global Production In Thousand Tons 2016-17\*\*(Est.)**



## 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		23th to 29th December 2017	16th to 22th December 2017	
Gujarat	Patan	4335	4404	-69
	Harij	4288	4400	-113
	Rajkot	4125	4208	-83
	Gondal	4149	4175	-26
	Deesa	4278	4331	-53
	Bhabar	4269	4338	-69
	Mehsana	4273	4317	-44
	Kadi	4303	4368	-65
	Sabarkatha	4290	4350	-60
	Gandhi Nagar	4290	4350	-60
	Ahmedabad (Sanand)	NA	NA	-
	Halvad	4325	4327	-2
	Junagadh	4209	4205	4
	Dhrol	3700	NA	-
Rajasthan	Jodhpur	4240	4358	-118
	Sumerpur	4165	4223	-58

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

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		29-Dec-17	22-Dec-17	28-Nov-17	29-Dec-16



Gujarat	Patan	4400	4400	4500	3675
	Harij	4250	NR	4425	3625
	Rajkot	4090	4205	4280	3565
	Gondal	NR	4155	4330	NA
	Deesa	4225	4305	4400	3580
	Bhabar	4240	4320	4450	3590
	Mehsana	4215	4300	4350	3600
	Kadi	4275	4330	4515	3635
	Sabarkatha	4250	4325	4425	3600
	Gandhi Nagar	4250	4325	4450	3615
	Ahmedabad (Sanand)	NA	NA	NA	3345
	Halvad	4300	4350	4300	3490
	Junagadh	NA	NA	NA	3550
	Dhrol	NA	NA	NA	NA
Rajasthan	Jodhpur	4000	4350	4380	3668
	Sumerpur	4150	4200	4300	3425

#### Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	23th to 29th December 2017	16th to 22th December 2017	Change
Gujarat	Patan	9900	9900	Unch
	Harij	338	188	150
	Rajkot	605	1125	-520
	Gondal	299	563	-264
	Deesa	2942	2880	62
	Bhabar	1640	1520	120
	Mehsana	1613	1238	375
	Kadi	7160	5656	1504
	Sabarkatha	353	248	105
	Gandhi Nagar	1125	900	225
	Ahmedabad (Sanand)	NA	NA	-
	Halvad	386	431	-45
	Junagadh	105	30	75
	Dhrol	1	NA	-
Rajasthan	Jodhpur	135	390	-255
	Sumerpur	640	680	-40
Total Arrivals/Above Markets		27241	25748	1493



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