

A background image of several castor seeds, which are oval-shaped with a textured, brownish surface, scattered across the page.

# Castor Weekly Research Report

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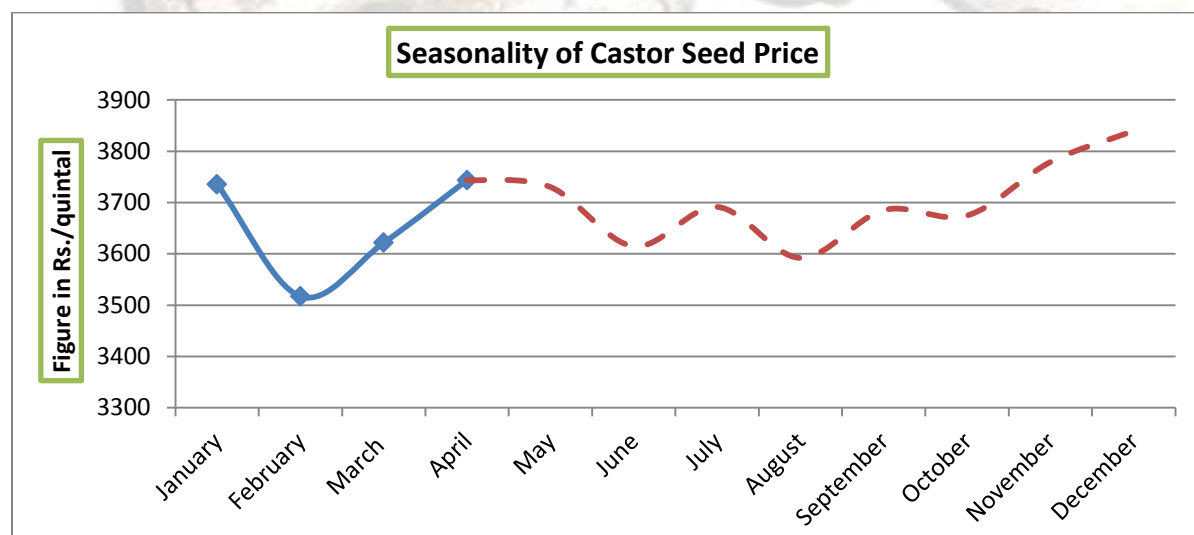
### Castor Domestic Market Fundamentals:

- All India average castor price is around Rs.3843/quintal which is up from last week price of Rs.3800/quintal and down by 1.7% from same period last year price of Rs.3910/quintal.
- Castor seed prices drifted lower by Rs 39 to Rs 4,142 per quintal in futures trade recently on liquidation of positions by the speculators in line with weak physical market. Fall in castor seed futures was mostly attributed to a weak trend at the spot market due to low demand from consuming industries amid increased supplies in spot market.
- 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 firm in 04<sup>th</sup> Week of January-2018 even with higher arrival, all India castor seed arrival is 23877 quintals which is 703 quintals higher than last week arrival of 23174 quintals.

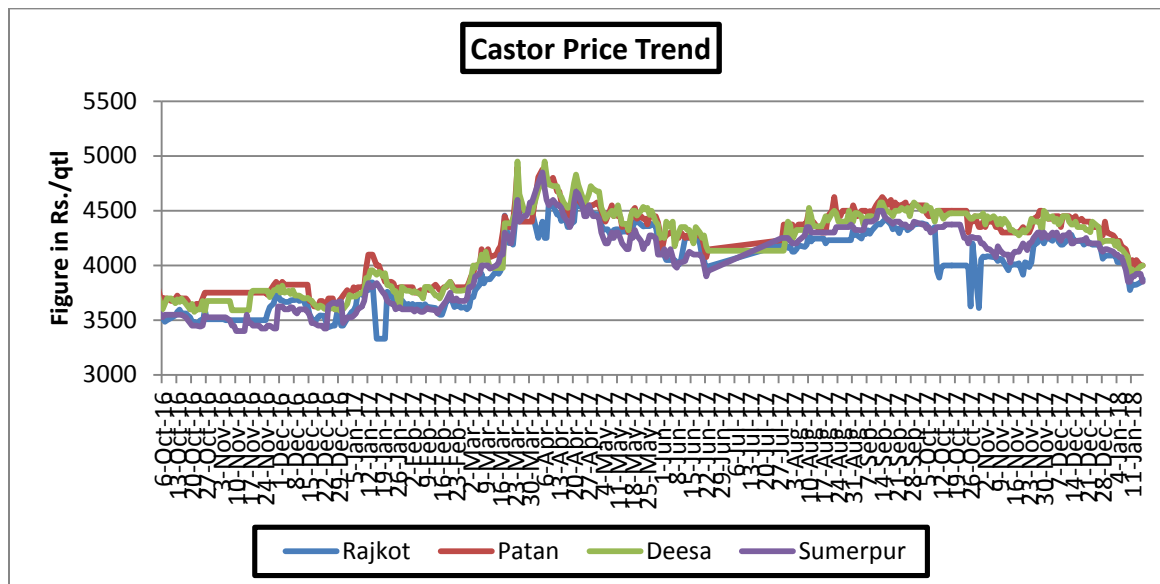
**Castor Seed Sowing Updates as on 13<sup>th</sup> October September-2017 (in Lakh Hectare):**

| 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. 3900-3950 for profit purpose.

**Seasonality of Castor Seed Price**


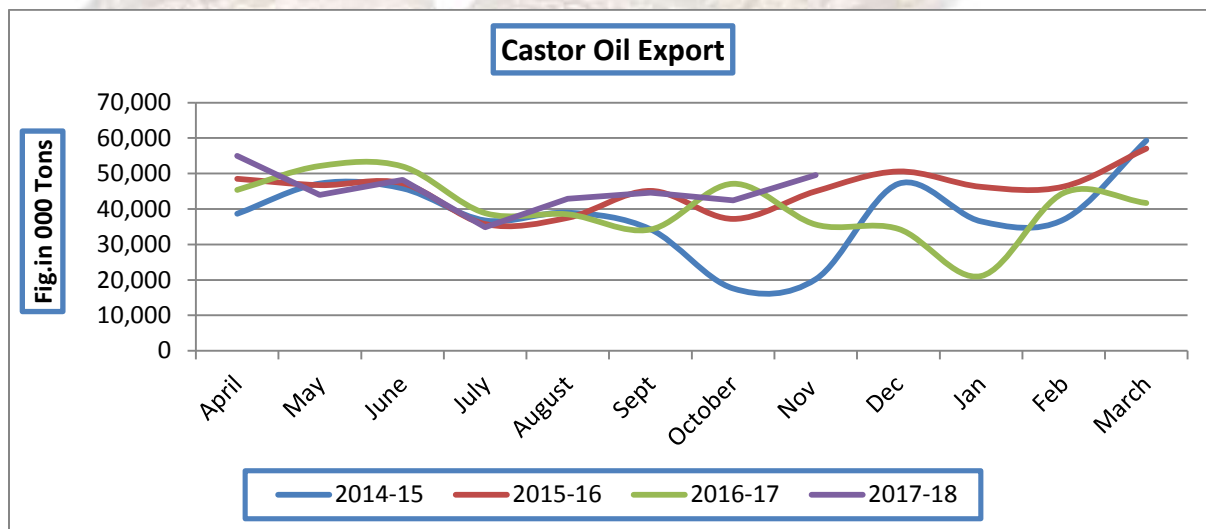
### Castor Price Trend:



Source: Agriwatch

Indian castor seed market was in steady to weak trend during the period from Oct 2017 to Jan 2018, now prices are expected to trade steady in the arrival season.

### Castor Oil Export Trend:

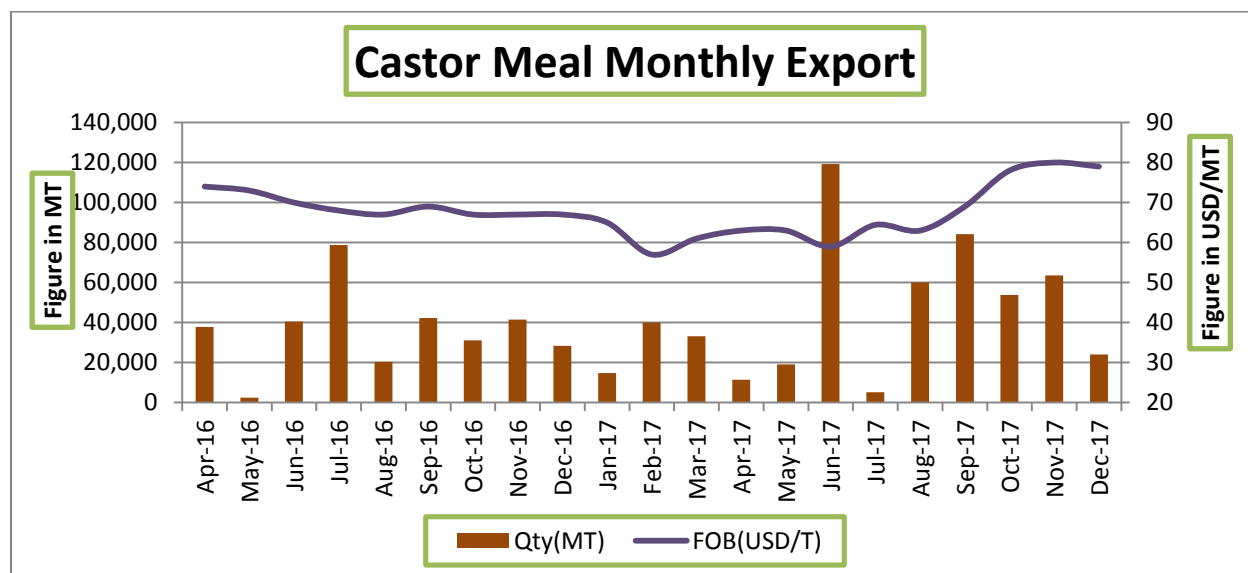


Source: Sea Of India

As per latest data released by SEA of India, Castor oil export in the month of November was 49574 thousand tons which is up by 17% from last month export of 42457 thousand tons and 39% up from corresponding period last year export of 35608 thousand tons. Higher demand from the international market due to lower prices of castor seed in domestic market led to higher exports. Meanwhile, 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:

During April – Dec., 2017 oil meal imported by Vietnam from India reported at 331,654 tons compared to 209,476 tons; consisting of 23,157 tons of soybean meal, 54,922 tons of rapeseed meal and 253,575 tons of De-oiled Rice Bran Extraction. South Korea imported 597,252 tons compared to 460,764 tons; consisting 209,890 tons of rapeseed meal, 362,147 tons of castor meal and 25,215 tons of soybean meal. Bangladesh imported 120,675 tons compared to 132,588 tons; consisting 26,037 tons of rapeseed meal, 5,857 tons of De-oiled Rice Bran Extractions and 88,781 tons of soybean meal. Thailand imported 134,612 tons compared to 9,201 tons; consisting 96,358 tons of rapeseed meal, 9,454 tons of De-oiled Rice Bran Extractions and 28,765 tons of soybean meal. European countries were the major importer of Indian Soybean Meal. France imported 100,375 tons compared to 90,208 tons; consisting 95,710 tons of soybean meal and 4,665 tons of Castor meal and rest of European countries imported 329,340 tons of oil meals, mainly soybean meal.



Source: Sea of India

## State wise Wholesale Prices Weekly Analysis for Castor Seed 04<sup>th</sup> week January, 2018

| State          | Prices 24-31 Jan 2018 | Prices 16-23 Jan 2018 | Prices 24-31 Jan 2017 | % Change(Over Previous Week) | % Change(Over Previous Year) |
|----------------|-----------------------|-----------------------|-----------------------|------------------------------|------------------------------|
| Andhra Pradesh | 3768.57               | 3768.57               | 3768.57               | 0                            | 0                            |
| Gujarat        | 3979.13               | 3979.13               | 3979.13               | 0                            | 0                            |
| Karnataka      |                       | 4000                  | 4000                  | —                            | —                            |
| Maharashtra    |                       | 3475                  | 3475                  | —                            | —                            |
| Rajasthan      |                       |                       | 3593.63               | —                            | —                            |
| Tamil Nadu     |                       |                       | 4769                  | —                            | —                            |
| Telangana      | 3780.23               | 3780.23               | 3780.23               | 0                            | 0                            |
| Average        | 3842.64               | 3800.59               | 3909.37               |                              |                              |

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)  | 3900-4100    | 4100-4250      |
| Medium Term (30 days) | 3950-4300    | 4000-4440      |

| Comparative Prices Of Castor Products Including Seed        |                    |                    |                     |                    |              |
|---|--------------------|--------------------|---------------------|--------------------|--------------|
|   | 19th<br>January'18 | 12th<br>January'18 | 19th<br>December'17 | 19th<br>January'17 | CHAN<br>GE % |
| Castorseed (Gujarat)((Rs./M.T) Ex-Mandi                     | 40900              | 41350              | 45100               | 39178              | 4.21         |
| Castor Meal Export (FAS) (US\$ / MT),Ex Kandla              | 77.00              | 77.00              | 79                  | 65.00              | 15.58        |
| EXPORT (FOR) Ports (Rs./MT)<br>Castor meal bulk Kandla      | 4800               | 4800               | 5000                | 4292               | 10.58        |
| Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne       | 1350               | 1370               | 1480                | 1205               | 10.74        |
| Local rates for oil in domestic market (Rs./M.T.) for comm. | 85500              | 87000              | 95000               | 82408              | 3.62         |

**Source: SEA.**



## Technical Analysis:

### Castor – Technical Outlook

#### Technical Commentary:

- Prices are likely to move steady to weak 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 | Feb | 3850 | 3900  | 4293 | 4425 | 4705 |
| Pre Weekly Trade Call           |       |     | Call | Entry | T1   | T2   | SL   |
| Castor                          | NCDEX | Feb | Buy  | 4140  | 4251 | 4300 | 4120 |

## 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.



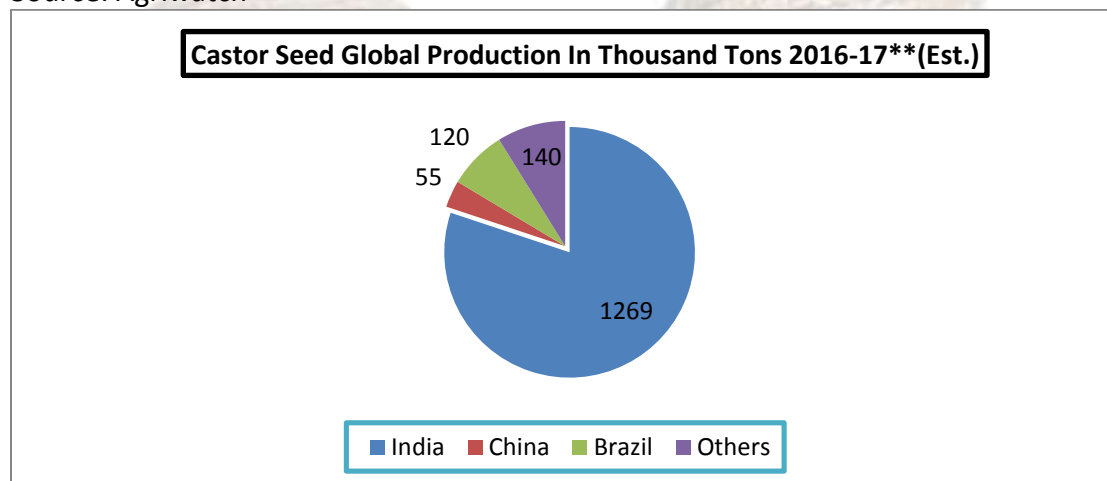
### Castor Seed Supply & Demand for MY-2017-18:

#### 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    |

#### Castor Seed Global Production share:

Source: Agriwatch

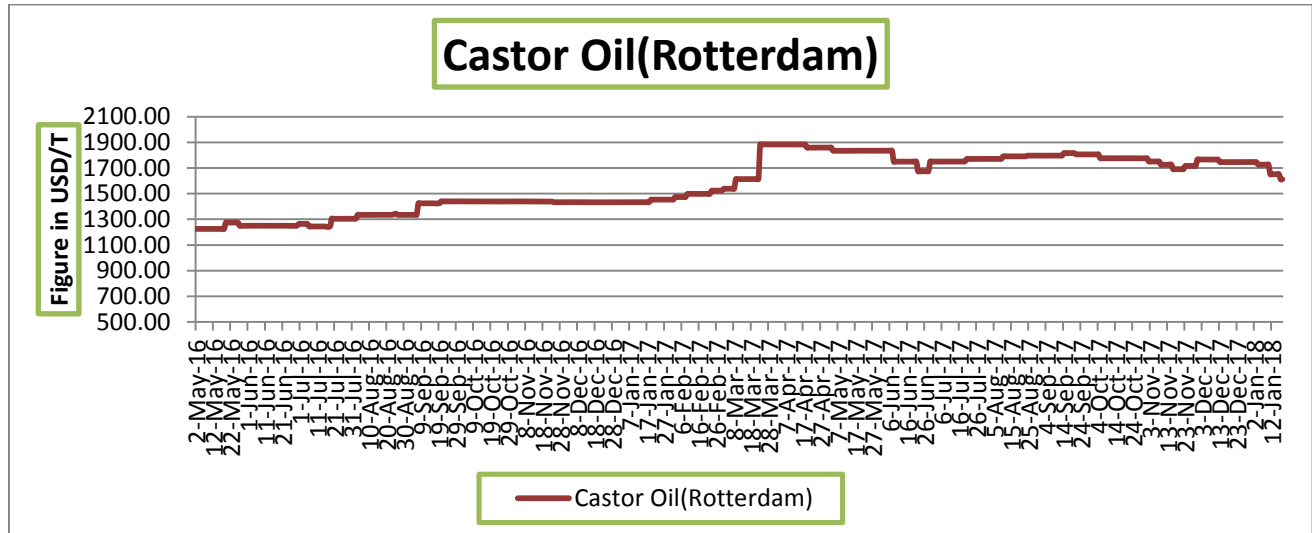


#### International market update:

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

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

| Commodity | Market             | Price (Rs/ Quintal)       |                           | Change |
|-----------|--------------------|---------------------------|---------------------------|--------|
| Center    |                    | 20th to 25th January 2018 | 13th to 19th January 2018 |        |
| Gujarat   | Patan              | 3942                      | 3980                      | -38    |
|           | Harij              | 3983                      | 3938                      | 46     |
|           | Rajkot             | 3840                      | 3826                      | 14     |
|           | Gondal             | 3845                      | 3813                      | 32     |
|           | Deesa              | 4016                      | 3950                      | 66     |
|           | Bhabar             | 3993                      | 3938                      | 55     |
|           | Mehsana            | 3946                      | 3913                      | 34     |
|           | Kadi               | 4001                      | 3961                      | 40     |
|           | Sabarkatha         | 3940                      | 3935                      | 5      |
|           | Gandhi Nagar       | 3975                      | 3940                      | 35     |
|           | Ahmedabad (Sanand) | 3855                      | NA                        | -      |
|           | Halvad             | 3867                      | 3913                      | -46    |
|           | Junagadh           | 3750                      | 3713                      | 38     |
|           | Dhrol              | 3625                      | 3525                      | 100    |
| Rajasthan | Jodhpur            | 4002                      | 3985                      | 17     |
|           | Sumerpur           | 3919                      | 3880                      | 39     |



| Week on Week Price: Scenario of Castor Seed : |                    |           |           |           |           |
|---|--------------------|-----------|-----------|-----------|-----------|
| Commodity                                     | Market             | Today     | Week ago  | Month ago | Year ago  |
| Center  |                    | 25-Jan-18 | 18-Jan-18 | 25-Dec-17 | 25-Jan-17 |
| Gujarat                                       | Patan              | Closed    | Closed    | 4350      | 3775      |
|   | Harij              | 4000      | NR        | 4300      | 3800      |
|   | Rajkot             | NR        | 3805      | 4190      | 3685      |
|   | Gondal             | 3855      | 3805      | 4155      | 3680      |
|   | Deesa              | Closed    | NR        | 4400      | 3760      |
|   | Bhabar             | Closed    | NR        | 4310      | 3725      |
|   | Mehsana            | 3960      | 3875      | 4300      | 3765      |
|   | Kadi               | 4020      | 3925      | 4330      | 3805      |
|   | Sabarkatha         | 3975      | 3925      | 4325      | 3775      |
|   | Gandhi Nagar       | Closed    | 3950      | 4350      | 3800      |
|   | Ahmedabad (Sanand) | NR        | NA        | NA        | 3650      |
|   | Halvad             | Closed    | 3925      | 4350      | 3605      |
|   | Junagadh           | 3750      | 3775      | 4230      | 3725      |
|   | Dhrol              | 3570      | NA        | NA        | 3610      |
| Rajasthan                                     | Jodhpur            | 4020      | 3980      | 4330      | 3700      |
|   | Sumerpur           | 3970      | NR        | 4200      | 3600      |

| Castor Seed Cumulative Arrivals in Key Centers: |                    |                           |                           |        |
|---|--------------------|---------------------------|---------------------------|--------|
| Center  | Market             | 20th to 25th January 2018 | 13th to 19th January 2018 | Change |
| Gujarat   | Patan              | 6225                      | 6300                      | -75    |
|   | Harij              | 450                       | 225                       | 225    |
|   | Rajkot             | 1390                      | 1380                      | 10     |
|   | Gondal             | 770                       | 532                       | 238    |
|   | Deesa              | 1950                      | 1890                      | 60     |
|   | Bhabar             | 2760                      | 2417                      | 343    |
|   | Mehsana            | 656                       | 656                       | Unch   |
|   | Kadi               | 6264                      | 6288                      | -24    |
|   | Sabarkatha         | 188                       | 236                       | -48    |
|   | Gandhi Nagar       | 375                       | 488                       | -113   |
|   | Ahmedabad (Sanand) | 2                         | NA                        | -      |
|   | Halvad             | 540                       | 1234                      | -694   |
|   | Junagadh           | 90                        | 40                        | 50     |
|   | Dhrol              | 11                        | 13                        | -2     |
| Rajasthan                                       | Jodhpur            | 518                       | 675                       | -158   |



|                              |          |       |       |     |
|------------------------------|----------|-------|-------|-----|
|                              | Sumerpur | 1688  | 800   | 888 |
| Total Arrivals/Above Markets |          | 23877 | 23174 | 703 |

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