



# Castor Weekly Research Report

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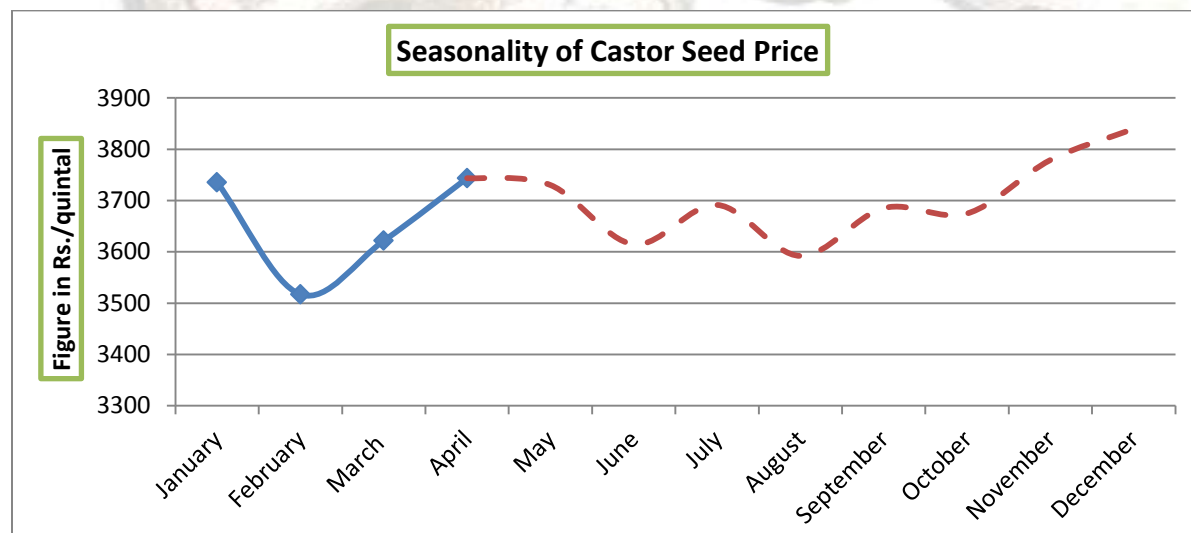
**Castor Domestic Market Fundamentals:**

- 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 edged Rs 21 higher to Rs 4,348 per quintal as traders raised holdings on the back of firm trend in the spot market; Castor seed prices edged Rs 21 higher to Rs 4,348 per quintal as traders raised holdings on the back of firm trend in the 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 01<sup>st</sup> Week of February-2018 even with higher arrival, all India castor seed arrival is 62871 quintals which is 38994 quintals higher than last week arrival of 23877 quintals.

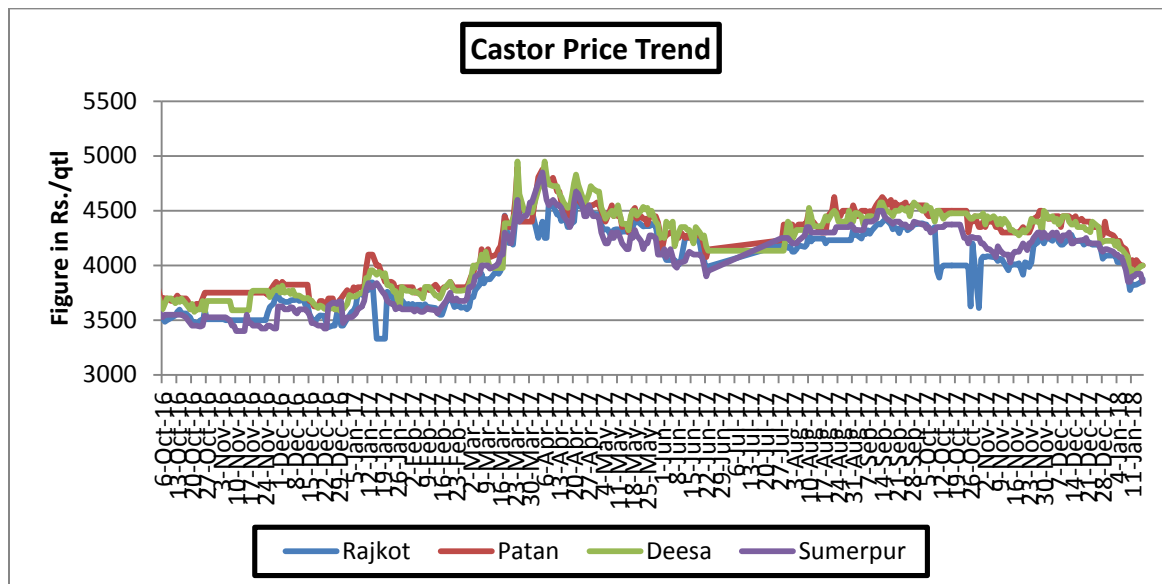
**Castor Seed Sowing Updates as on 13<sup>th</sup> October September-2017 (in Lakh Hectare):**

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**


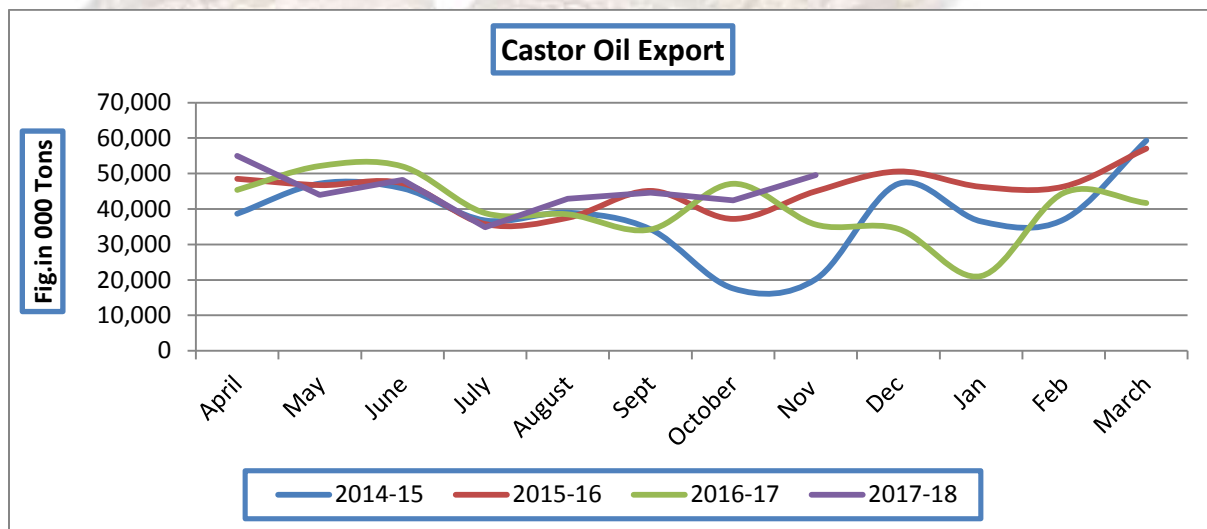
### Castor Price Trend:



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:

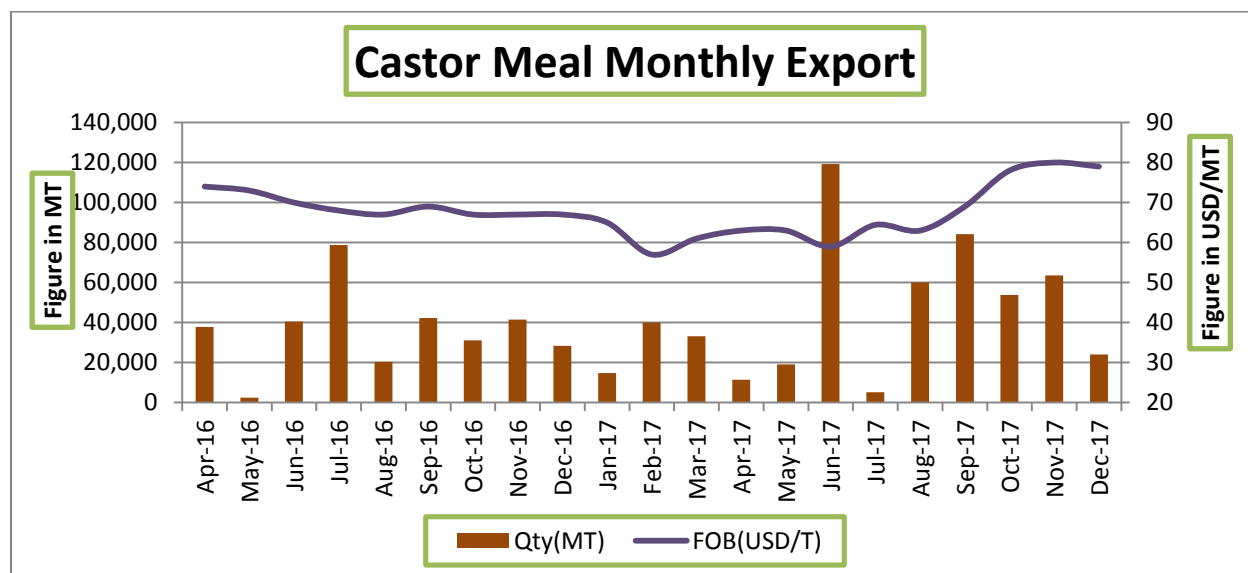


Source: Sea Of India

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**

	<b>25th January'1 8</b>	<b>19th January'1 8</b>	<b>26th December' 17</b>	<b>25th January'1 7</b>	<b>CHAN GE %</b>
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	41850	40900	44250	39178	<b>6.38</b>
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	77.00	77.00	79	65.00	<b>15.58</b>
EXPORT (FOR) Ports (Rs./MT) Castor meal bulk Kandla	4800	4800	5000	4292	<b>10.58</b>
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1395	1350	1465	1205	<b>13.62</b>
Local rates for oil in domestic market (Rs./M.T.) for comm.	87500	85500	93500	82408	<b>5.82</b>

**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	4251	4425	4705
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Feb	Buy	4140	4255	4280	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.



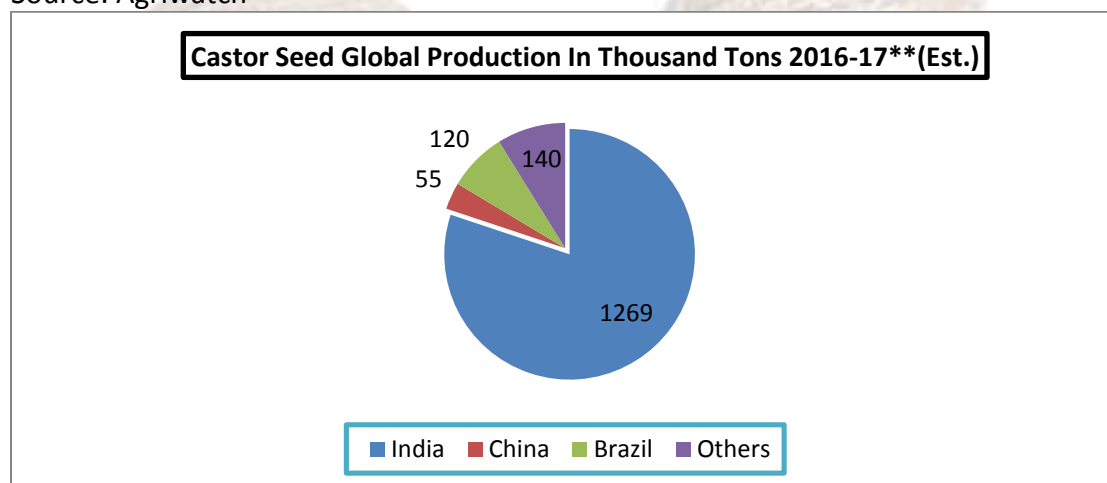
### Castor Seed Supply & Demand for MY-2017-18:

#### 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



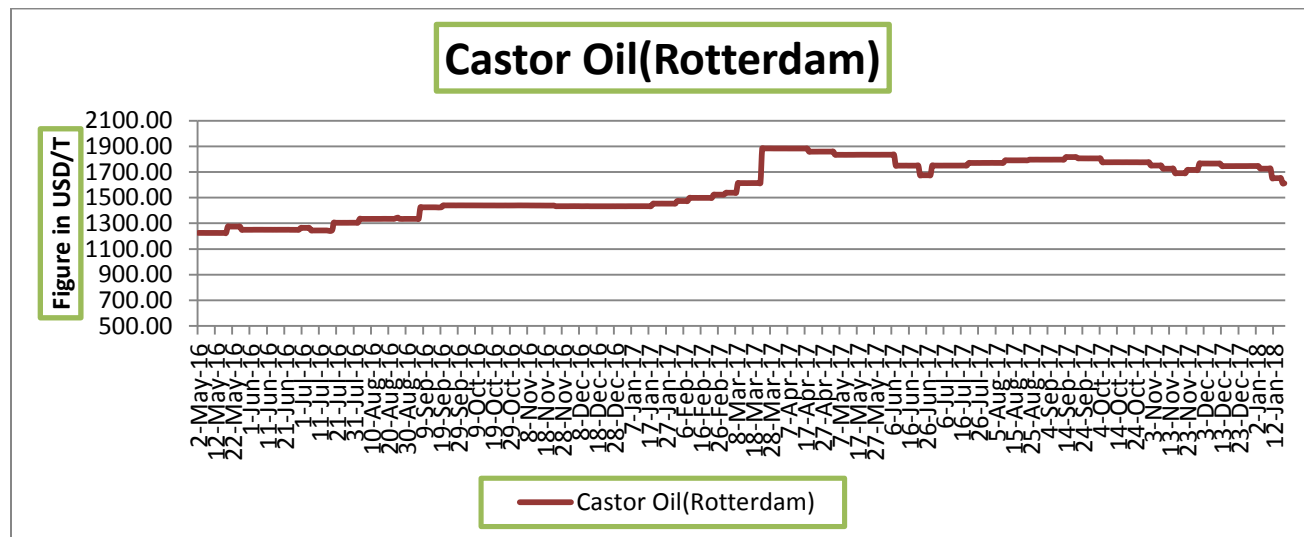
#### International market update:

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		27th to 2nd February 2018	20th to 25th January 2018	
Gujarat	Patan	4133	3942	192
	Harij	4125	3983	142
	Rajkot	3995	3840	155
	Gondal	3997	3845	152
	Deesa	4083	4016	67
	Bhabar	4110	3993	117
	Mehsana	4083	3946	137
	Kadi	4117	4001	115
	Sabarkatha	4092	3940	152
	Gandhi Nagar	4121	3975	146
	Ahmedabad (Sanand)	4019	3855	164
	Halvad	4000	3867	133
	Junagadh	3956	3750	206
	Dhrol	NA	3625	-
Rajasthan	Jodhpur	4078	4002	76
	Sumerpur	4063	3919	144



Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		27-Jan-18	20-Jan-18	27-Dec-17	27-Jan-17
Gujarat	Patan	4050	3950	4300	3800
	Harij	Closed	NR	4300	3825
	Rajkot	3900	3825	4160	3690
	Gondal	3930	3805	4130	3680
	Deesa	4020	3950	4200	3765
	Bhabar	4025	3965	4275	3700
	Mehsana	4000	3925	4275	3790
	Kadi	4000	3975	4285	3815
	Sabarkatha	4000	3925	4300	3765
	Gandhi Nagar	4000	NR	4300	3850
	Ahmedabad (Sanand)	Closed	NA	NA	3715
	Halvad	3850	3850	4300	3675
	Junagadh	3850	NA	4250	3770
	Dhrol	NA	NA	NA	3545
Rajasthan	Jodhpur	3900	3980	4310	3760
	Sumerpur	4000	3850	4150	3620

Castor Seed Cumulative Arrivals in Key Centers:				
Center	Market	27th to 2nd February 2018	20th to 25th January 2018	Change
Gujarat	Patan	13725	6225	7500
	Harij	1200	450	750
	Rajkot	2635	1390	1245
	Gondal	1593	770	823
	Deesa	3937	1950	1986
	Bhabar	8560	2760	5800
	Mehsana	2123	656	1466
	Kadi	20240	6264	13976
	Sabarkatha	1040	188	852
	Gandhi Nagar	1875	375	1500
	Ahmedabad (Sanand)	66	2	65
	Halvad	1343	540	803
	Junagadh	190	90	100
	Dhrol	NA	11	-



<b>Rajasthan</b>	Jodhpur	525	518	8
	Sumerpur	3820	1688	2132
<b>Total Arrivals/Above Markets</b>		<b>62871</b>	<b>23877</b>	<b>38994</b>

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