

A background image of several castor seeds, which are oval-shaped with a textured, brownish surface and a lighter, mottled pattern.

# Castor Weekly Research Report

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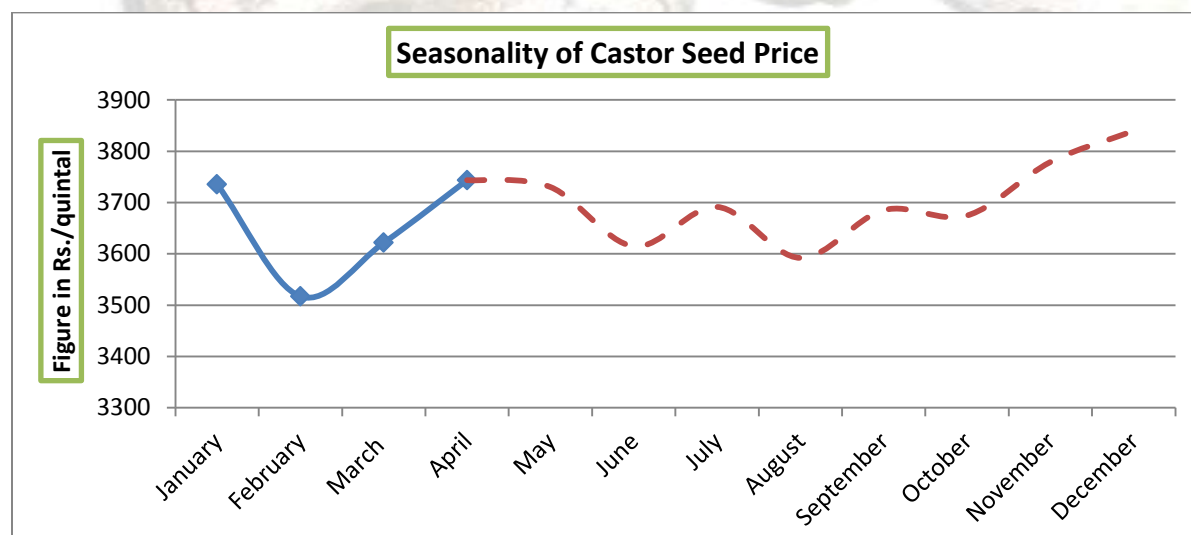
### Castor Domestic Market Fundamentals:

- All India average castor price is around Rs.3955/quintal which is up from last week price of Rs.3998/quintal and down by 0.32% from same period last year price of Rs.3968/quintal.
- Castor seed prices edged higher by Rs 65 to Rs 4,136 per quintal in futures trade recently on accumulation of bets by traders in tune with spurt in physical demand. It is expected that increased bets by investors on back of a spurt in demand for paint, soap and lubricant industries amid thin supplies from growing belts in spot markets led to the uptick in castor seed futures prices.
- 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 03<sup>rd</sup> Week of February-2018 even with lower arrival, all India castor seed arrival is 59381 quintals which is 2698 quintals lower than last week arrival of 62078 quintals.

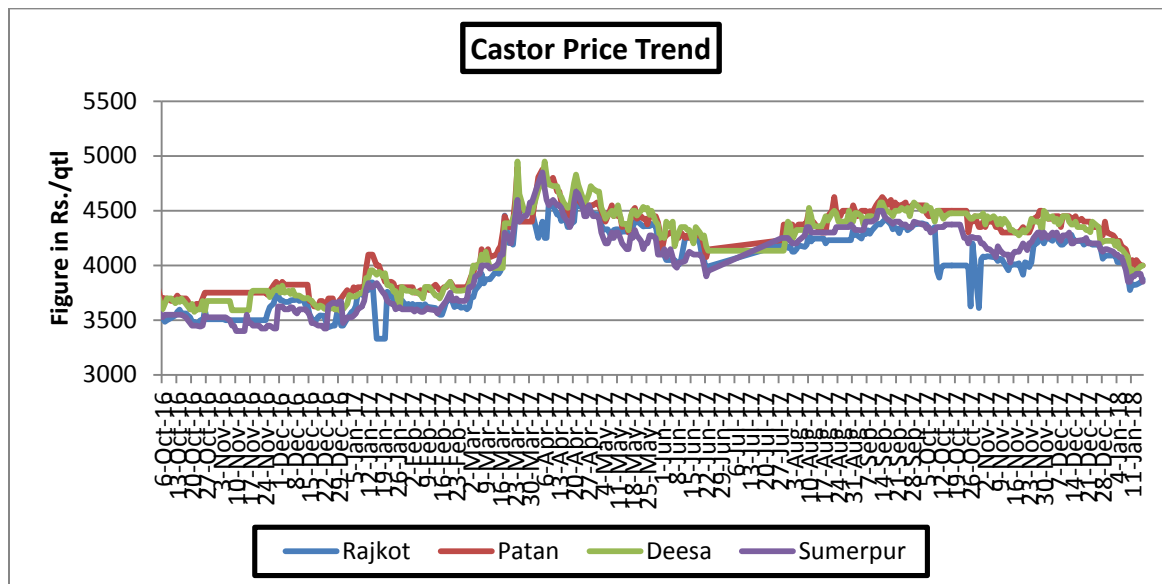
**Castor Seed Sowing Updates as on 13<sup>th</sup> October September-2017 (in Lakh Hectare):**

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**


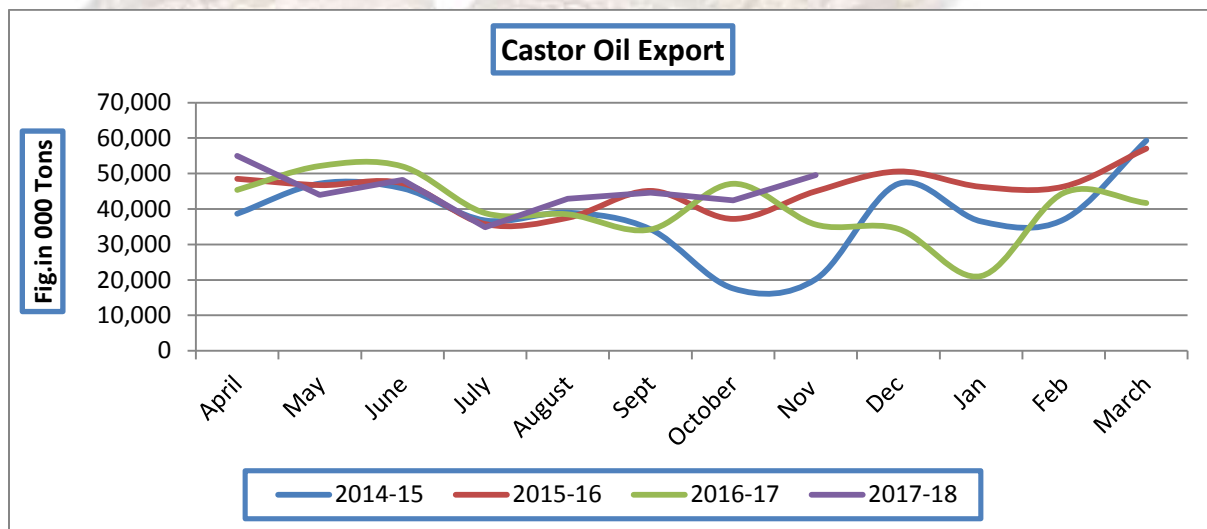
### Castor Price Trend:



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:

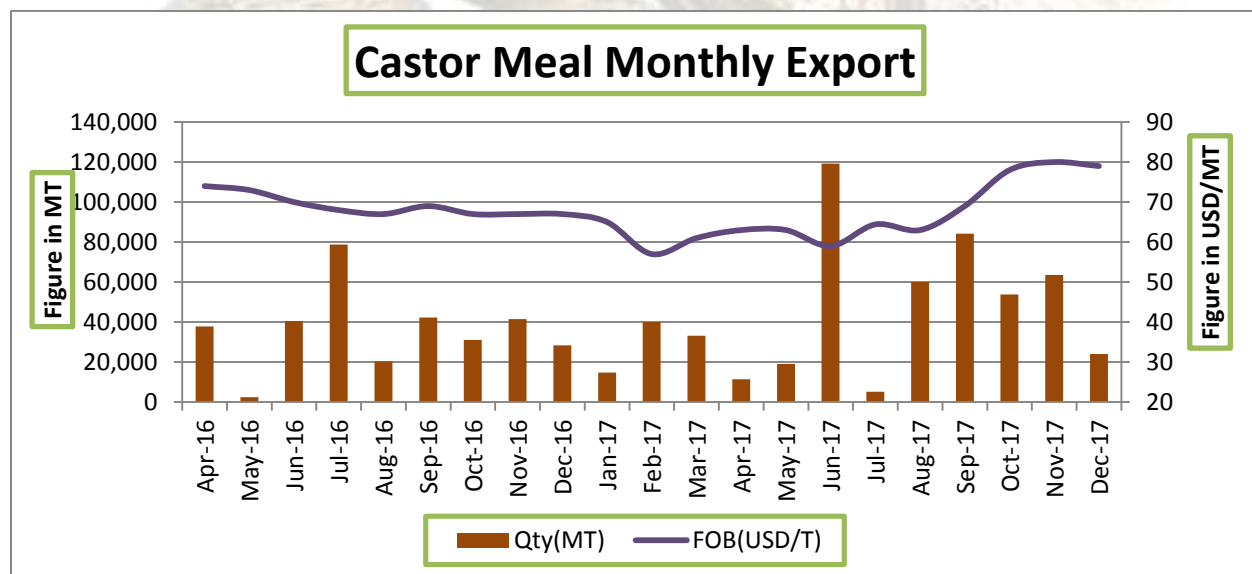


Source: Sea Of India

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 03<sup>rd</sup> week February, 2018

State	Prices 16-23 Feb 2018	Prices 09-15 Feb 2018	Prices 16-23 Feb 2017	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3739.2	3781.09	3851.13	-1.11	-2.91
Gujarat	4020.62	4020.62	4089.11	0	-1.67
Karnataka		3680	3868.75	--	--

Maharashtra		3650	3650	---	---
Rajasthan			3629.36	---	---
Tamil Nadu			5409	---	---
Telangana	3867.88	3905.89	3905.89	-0.97	-0.97
Uttar Pradesh			3290	---	---
Average	3875.9	3807.52	3982.16	3961.66	

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	4100-4440

### Comparative Prices Of Castor Products Including Seed

	2nd February' 18	25th January'1 8	2nd January'1 8	2nd February' 17	CHAN GE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	42900	41850	43700	38455	10.36
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	77.00	77.00	78	63.00	18.18
EXPORT (FOR) Ports (Rs./MT) Castor meal bulk Kandla	4800	4800	4900	4126	14.04
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1425	1395	1445	1213	14.88
Local rates for oil in domestic market (Rs./M.T.) for comm.	89500	87500	92000	82750	7.54

**Source: SEA.**

## Technical Analysis:

### Castor – Technical Outlook

#### Technical Commentary:

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



#### Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	Feb	3850	3900	4216	4425	4705
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Feb	Buy	4080	4130	4160	4068

## 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.

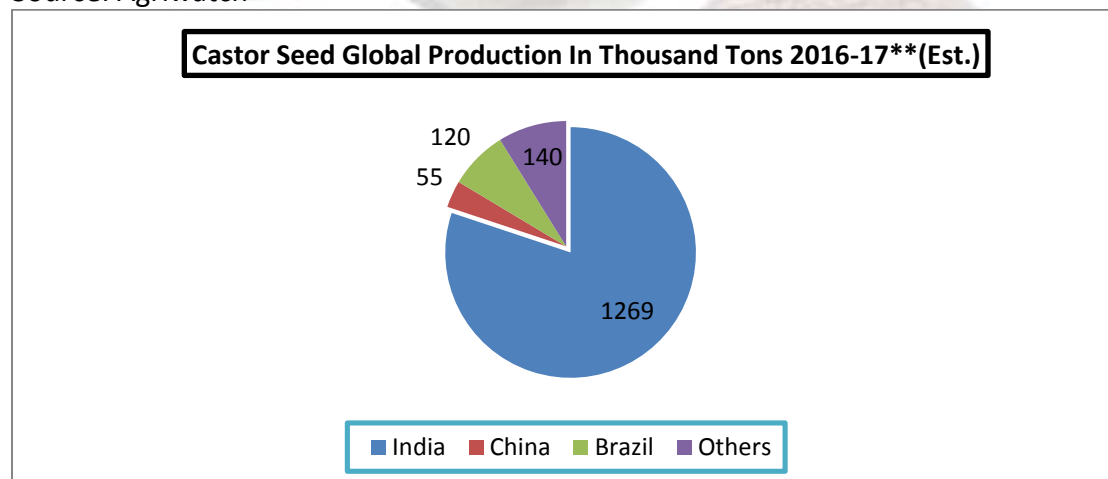


### Castor Seed Supply & Demand for MY-2017-18:

Preliminary Forecast For 2017-18								
All units in lakh tons	2014-15	2015-16	2016-17	2017-18	Apr-Jun	July-Sep	Oct-Dec	Jan-Mar
Carry in	7.88	7.08	6.58	6.95	6.95	13.69	9.04	5.94
Production	11.7	13	15.12	12.94	12.94	0	0	0
Imports	0	0	0	0	0	0	0	0
Total Availability	19.58	20.08	21.70	19.89	19.89	13.69	9.04	5.94
Consumption	12.5	13.5	14.75	15.5	6.2	4.65	3.1	1.55
Exports	0	0	0	0	0	0	0	0
Total Usage	12.5	13.5	14.75	15.5	6.2	4.65	3.1	1.55
Carry out	7.08	6.58	6.95	4.39	13.69	9.04	5.94	4.39
Av Monthly Consumption	1.04	1.13	1.23	1.29	2.07	1.55	1.03	0.52
Stock to Month Use	6.80	5.85	5.65	3.40	6.62	5.83	5.75	8.50
Stock to Consumption Ratio	0.57	0.49	0.47	0.28	2.21	1.94	1.92	2.83

### Castor Seed Global Production share:

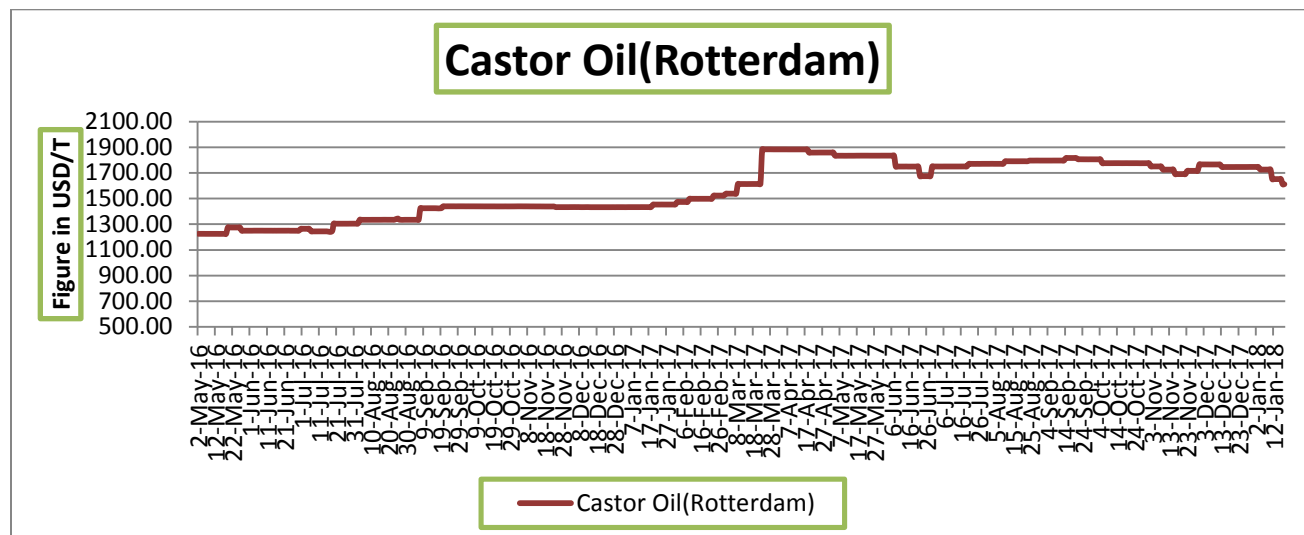
Source: Agriwatch



### 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
		10th to 16th February 2018	3rd to 9th February 2018	
Gujarat	Patan	4095	4150	-55
	Harij	4043	4110	-67
	Rajkot	3890	4008	-118
	Gondal	NR	4005	-
	Deesa	4055	4150	-95
	Bhabar	4057	4118	-61
	Mehsana	4022	4112	-90
	Kadi	4059	4160	-101
	Sabarkatha	4010	4108	-98
	Gandhi Nagar	4060	4138	-78
	Ahmedabad (Sanand)	3967	4073	-106
	Halvad	4005	4087	-82
	Junagadh	4000	4015	-15
	Dhrol	3685	3540	145
Rajasthan	Jodhpur	4133	4132	2
	Sumerpur	3979	4063	-83

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

Commodity	Market	Today	Week ago	Month ago	Year ago
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Center		16-Feb-18	9-Feb-18	16-Jan-18	16-Feb-17
Gujarat	Patan	4100	4075	4000	3775
	Harij	4025	4075	3975	3750
	Rajkot	3875	3980	3875	3550
	Gondal	NR	4005	3880	3680
	Deesa	4035	4150	4000	3740
	Bhabar	4035	4090	3965	3710
	Mehsana	4000	4025	3975	3725
	Kadi	4065	4085	4020	3775
	Sabarkatha	3975	4050	3975	3725
	Gandhi Nagar	4050	4075	3950	3775
	Ahmedabad (Sanand)	NA	4055	NA	3660
	Halvad	3975	4100	3900	3640
	Junagadh	NA	4010	3650	3600
	Dhrol	3650	3540	3525	3445
Rajasthan	Jodhpur	4130	4100	3980	3750
	Sumerpur	4000	4025	3850	3625

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

Center	Market	10th to 16th February 2018	3rd to 9th February 2018	Change
Gujarat	Patan	13350	13069	281
	Harij	3975	1725	2250
	Rajkot	1965	2245	-280
	Gondal	NR	350	-
	Deesa	4413	4305	108
	Bhabar	7210	8110	-901
	Mehsana	2963	2565	398
	Kadi	13720	20520	-6800
	Sabarkatha	1080	680	400
	Gandhi Nagar	2513	2063	450
	Ahmedabad (Sanand)	85	45	40
	Halvad	1425	1223	203
	Junagadh	95	160	-65
	Dhrol	26	2	24
Rajasthan	Jodhpur	323	638	-315
	Sumerpur	6240	4380	1860
Total Arrivals/Above Markets		59381	62078	-2698



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