



Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

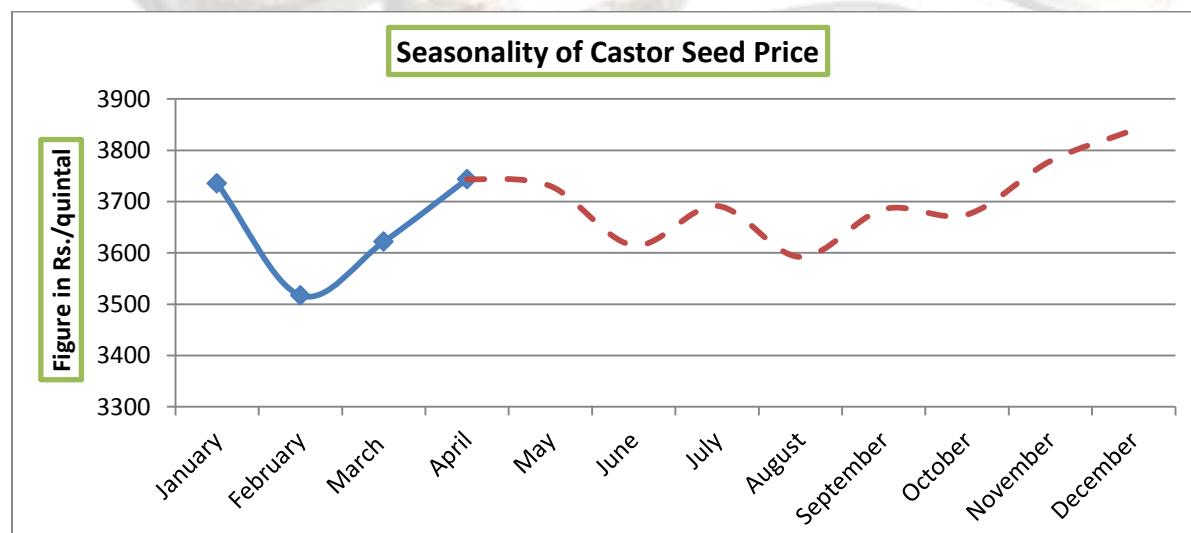
- All India average castor price is around Rs.2610/quintal which is down from last week price of Rs.3922/quintal and down by 33.42% from same period last year price of Rs.3922/quintal.
- As per Agmarknet data, castor arrivals during the current calendar year are at 62,600 tons, down by 18.7% compared to last year arrivals. In Gujarat, the arrivals in February have been down by about 8.3% at 33,261 tons. Further, market is expecting castor seed crop higher by around 10-15 per cent over last year's production of 10.65 lakh tons due to higher acreage and supportive climatic conditions.
- According to the Solvent Extractors' Association of India (SEA), Castor seed production in 2017-18 is expected to stand up by around 34% to 14.3 lakh tons compared to 13.96 lakh tons of govt. estimates. The survey conducted by SEA revealed that the area under castor increased by a tad 2.9 per cent from 7, 99,540 hectares in 2016-17 to 8, 22,790 hectares as per the State governments' estimates for the 2017-18 kharif seasons.
- 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 seed prices shed Rs. 30 to Rs.4, 068 per quintal in futures trade recently on liquidation of holdings by the operators, tracking negative physical sentiment. It is expected that attributed the downfall to weakening prices at physical markets due to building up of stocks on regular supplies from growing regions amid slackness in demand from soap, paint and lubricant industries.

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

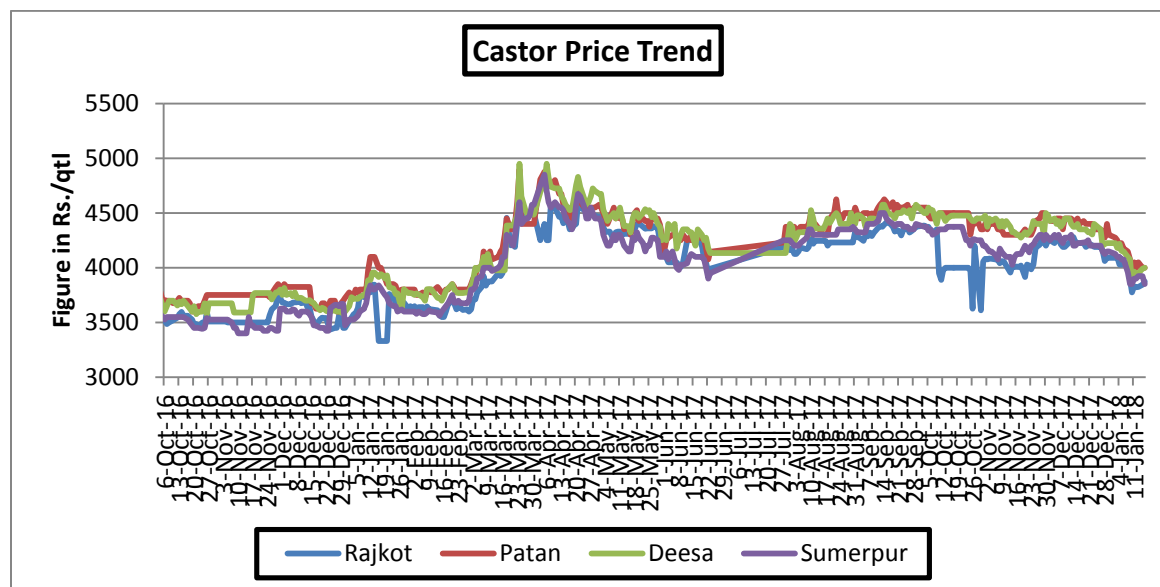
State	Area(2017)	Last Year(2016)	% Change	Normal Area
Gujarat	5.96	5.64	5.67	7.37
Rajasthan	1.6	1.72	-6.98	2.25
Telangana	0.31	0.43	-27.91	0.82
Andhra Pradesh	0.33	0.43	-23.26	0.89
Karnataka	0.07	0.11	-36.36	0.12
Maharashtra	0.07	0.12	-41.67	0.16
Others	0.38	0.33	15.15	0.23
Total	8.45	8.59	-1.63	11.84

Stake holders in cash market may opt for buying seed around Rs. 3850-3950 for profit purpose.

Seasonality of Castor Seed Price



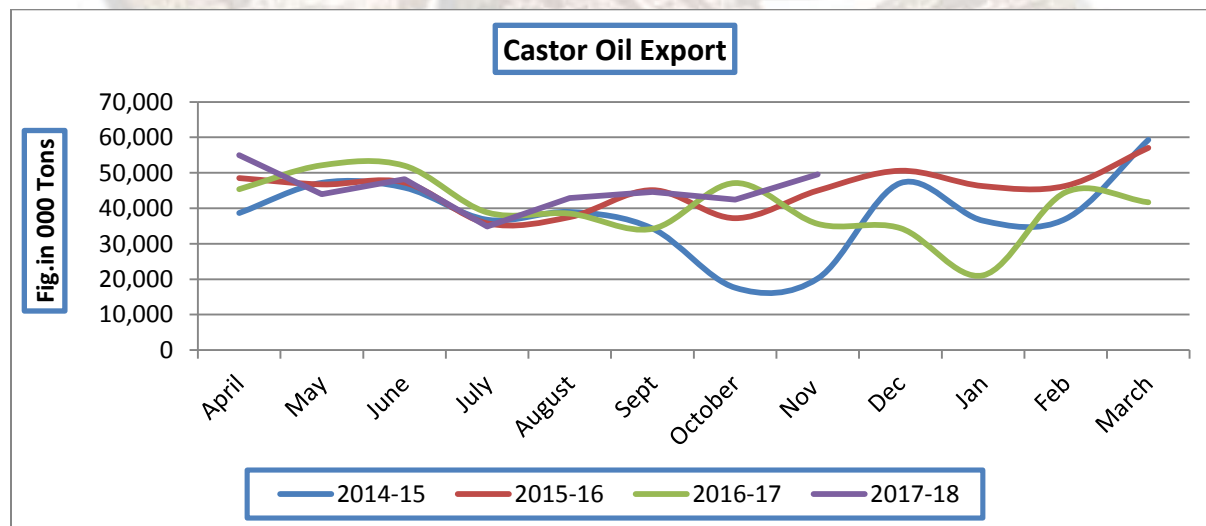
Castor Price Trend:



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:



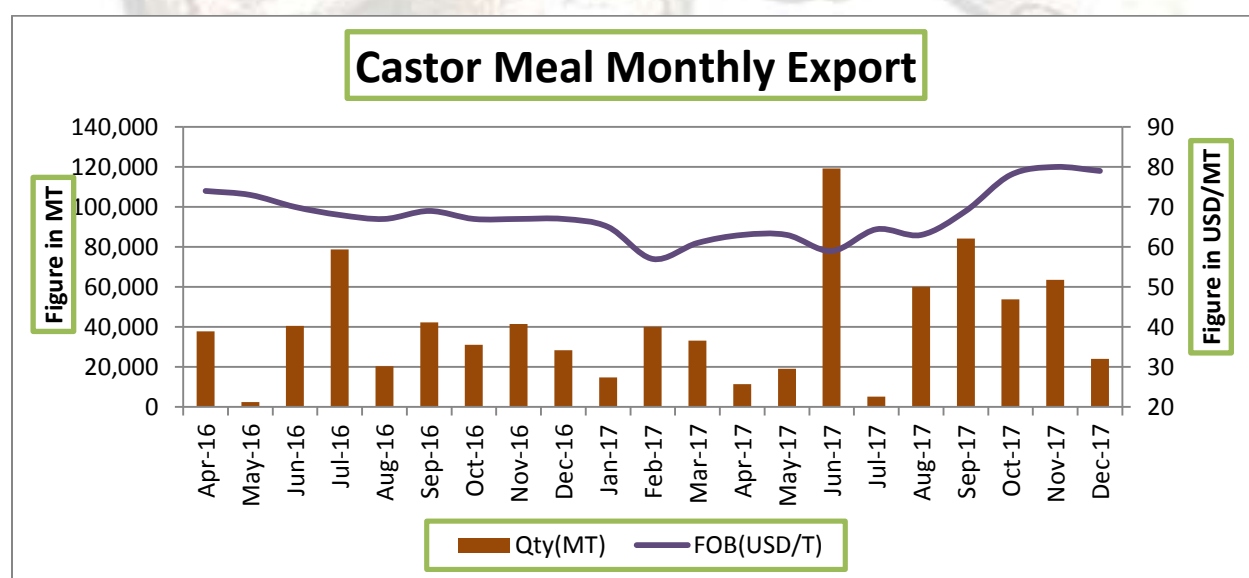
Source: Sea Of India

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 04th week February, 2018

Variety	Prices 24-28 Feb 2018	Prices 16-23 Feb 2018	Prices 24-28 Feb 2017	% Change(Over Previous Week)	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh						
Castor seed	3810.7	3810.7	3810.7	0	0	0

Other	3822.19	3822.19	3822.19	0	0	0
Gujarat						
Castor seed	4011.42	4012.9	4012.9	-0.04	-0.04	-0.04
Other	4021.5	4042.49	4042.49	-0.52	-0.52	-0.52
Caster	4039.93	4039.93	4039.93	0	0	0
Karnataka						
Castor seed	3400	3400	3400	0	0	0
Rajasthan						
Other			3612.39	—	—	—
Tamil Nadu						
Other			4719	—	—	—
Telangana						
Castor seed	4319.46	4319.46	4319.46	0	0	0
Other	3761.93	3855.42	3855.42	-2.42	-2.42	-2.42
Caster	3953.29	4105.52	4105.52	-3.71	-3.71	-3.71
Average	2610.97	3922.07	3922.07			

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'18	2nd January' 18	2nd February' 17	CHANGE %
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	4084	4425	4705
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Feb	Buy	4150	4112	4100	4160

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.

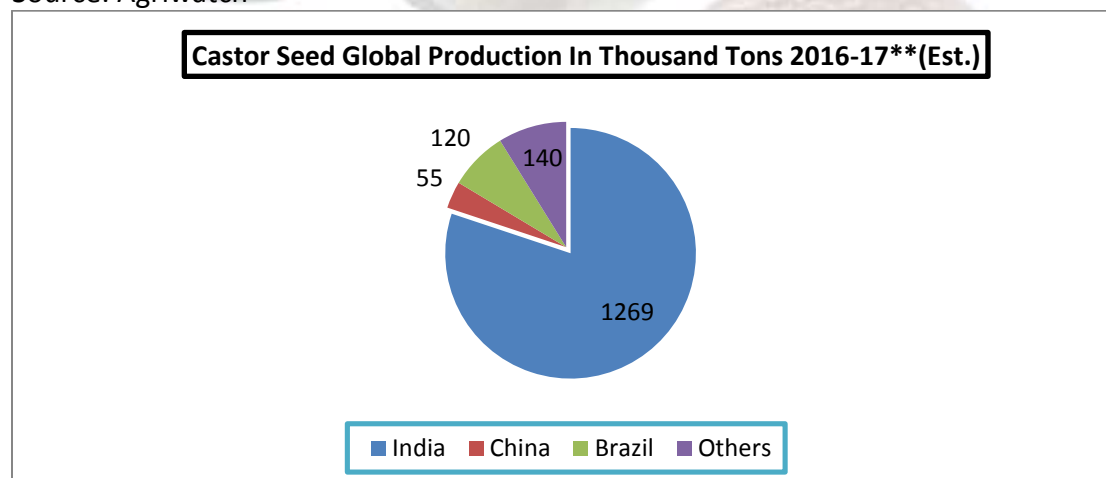
The season started with 5.91 lakh tons as carryout. Thus total availability for current marketing year comes to 18.6 lakh tons if estimated production of 12.69 lakh tons is included. Lower production would drag carryout down from 5.91 to 5.35 lakh tons. It would push seed price up in second and third 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:

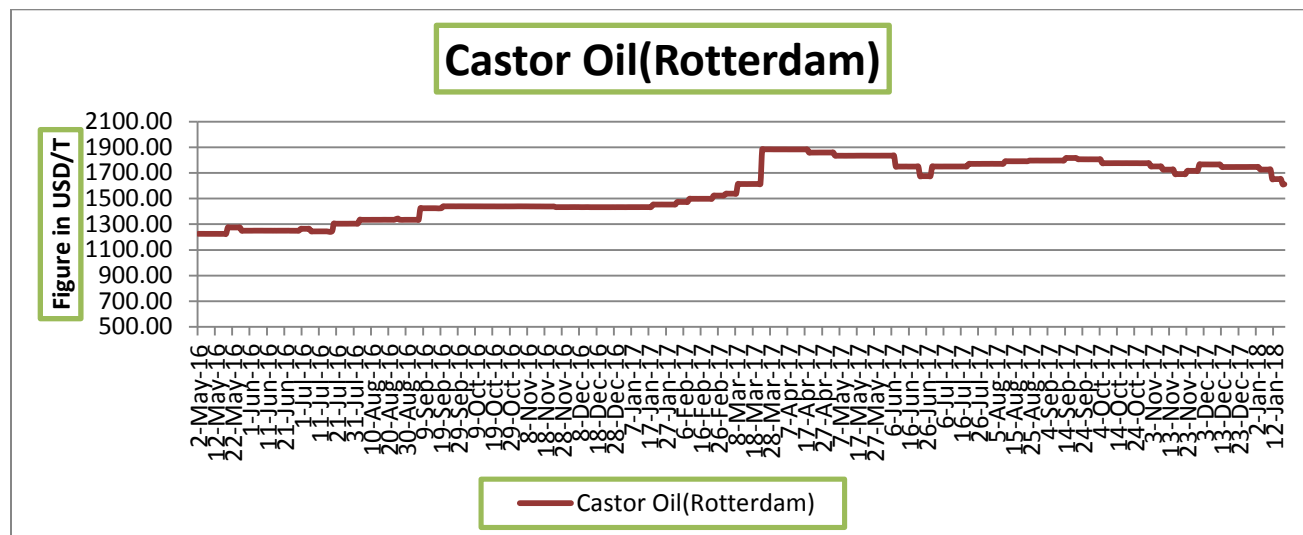
Source: Agriwatch



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
Center		24th to 1st March 2018	17th to 23rd February 2018	
Gujarat	Patan	4044	4100	-56
	Harij	4038	4117	-79
	Rajkot	3921	3988	-67
	Gondal	4405	NA	-
	Deesa	4046	4127	-81
	Bhabar	4030	4095	-65
	Mehsana	4006	4104	-98
	Kadi	4063	4126	-63
	Sabarkatha	4035	4083	-48
	Gandhi Nagar	4063	4083	-21
	Ahmedabad (Sanand)	3940	4027	-87
	Halvad	3956	3995	-39
	Junagadh	3960	NA	-
	Dhrol	3617.5	3810	-193
Rajasthan	Jodhpur	4046	4112	-65
	Sumerpur	3970	4034	-64

Week on Week Price: Scenario of Castor Seed :



Commodity	Market	Today	Week ago	Month ago	Year ago
Center		1-Mar-18	22-Feb-18	1-Feb-18	1-Mar-17
Gujarat	Patan	Closed	4100	4125	3850
	Harij	NR	4075	4125	3810
	Rajkot	3890	4025	4005	3620
	Gondal	NR	NR	3980	3655
	Deesa	Closed	4125	4085	3830
	Bhabar	Closed	4075	4120	3730
	Mehsana	3975	4060	4125	3825
	Kadi	Closed	4125	4135	3870
	Sabarkatha	4000	4100	4125	3825
	Gandhi Nagar	Closed	4100	4125	3900
	Ahmedabad (Sanand)	NA	4100	4025	3790
	Halvad	Closed	4000	4200	3630
	Junagadh	Closed	NR	3975	3705
	Dhrol	NA	3810	NA	3470
Rajasthan	Jodhpur	Closed	4100	4170	3820
	Sumerpur	3975	4035	4050	3800

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	24th to 1st March 2018	17th to 23rd February 2018	Change
Gujarat	Patan	10500	12000	-1500
	Harij	2700	3750	-1050
	Rajkot	2356	1947	409
	Gondal	600	NA	-
	Deesa	4606	4345	261
	Bhabar	7680	7720	-40
	Mehsana	4388	2475	1913
	Kadi	18692	22320	-3628
	Sabarkatha	1200	1280	-80
	Gandhi Nagar	3675	3150	525
	Ahmedabad (Sanand)	128	74	54
	Halvad	1118	1710	-593
	Junagadh	85	NA	-
	Dhrol	21	11	10
Rajasthan	Jodhpur	360	585	-225
	Sumerpur	5100	6560	-1460
Total Arrivals/Above Markets		63208	67927	-4720



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