



Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

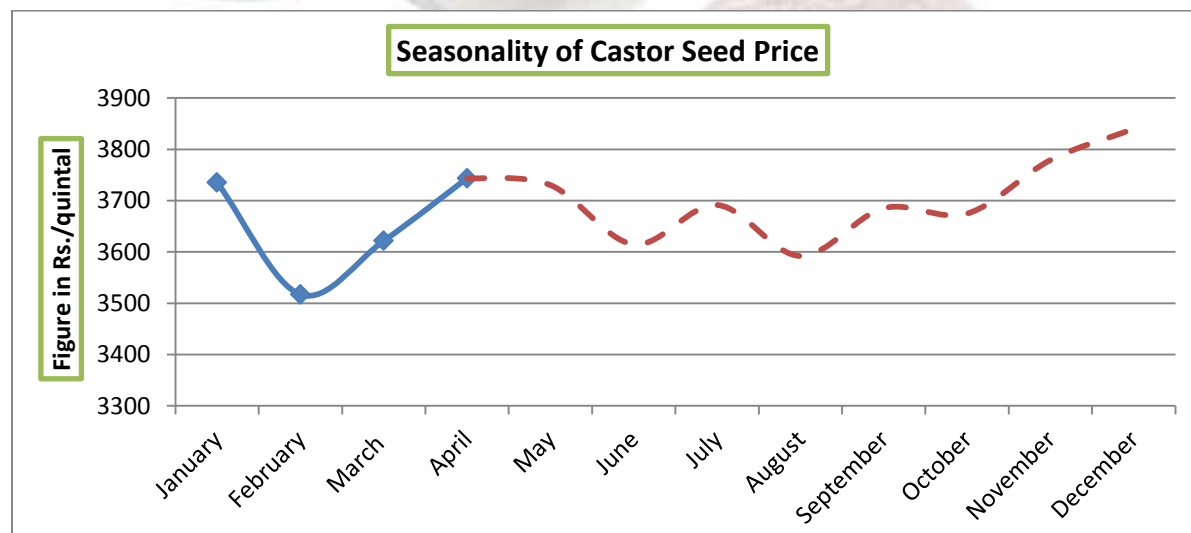
- All India average castor price is around Rs.3915/quintal which is up from last week price of Rs.3862/quintal and down by 0.13% from same period last year price of Rs.3922/quintal.
- As per Agmarknet data, castor arrivals during the current calendar year are at 62,600 tons, down by 18.7% compared to 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 fell by Rs 60 to Rs 4,186 per quintal in futures trade recently on liquidated of positions by the speculators depressed by weak physical markets amidst lower export demand.
- We expect that reducing of holdings by participants in tune with subdued trend in spot markets due to lack of buying support from soap, paint and lubricant industries, led to the fall in castor seed futures prices.

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

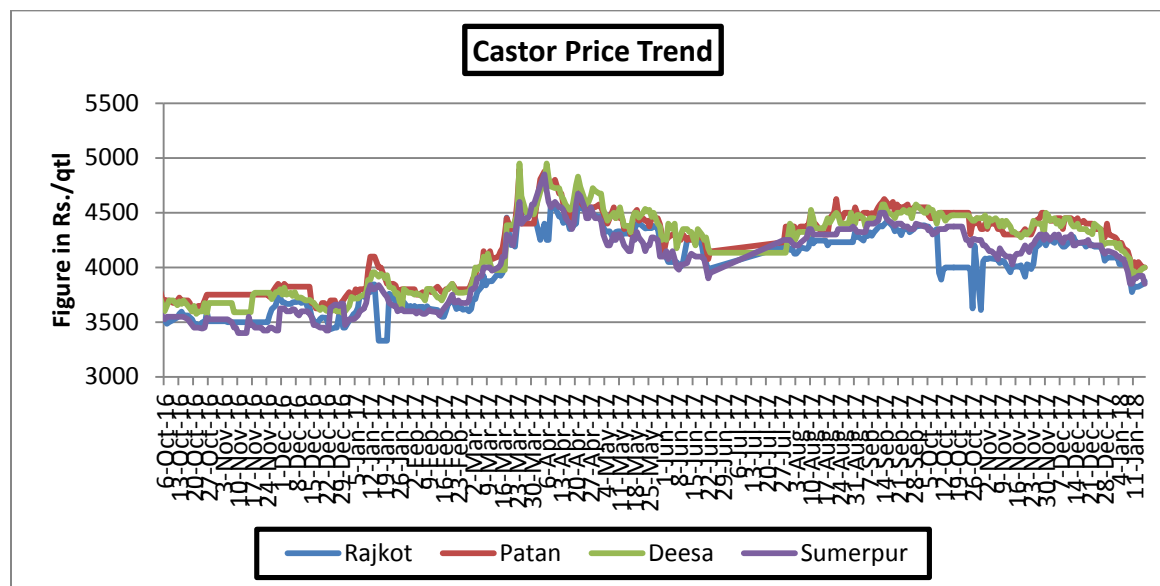
State	Area(2017)	Last Year(2016)	% Change	Normal Area
Gujarat	5.96	5.64	5.67	7.37
Rajasthan	1.6	1.72	-6.98	2.25
Telangana	0.31	0.43	-27.91	0.82
Andhra Pradesh	0.33	0.43	-23.26	0.89
Karnataka	0.07	0.11	-36.36	0.12
Maharashtra	0.07	0.12	-41.67	0.16
Others	0.38	0.33	15.15	0.23
Total	8.45	8.59	-1.63	11.84

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

Seasonality of Castor Seed Price



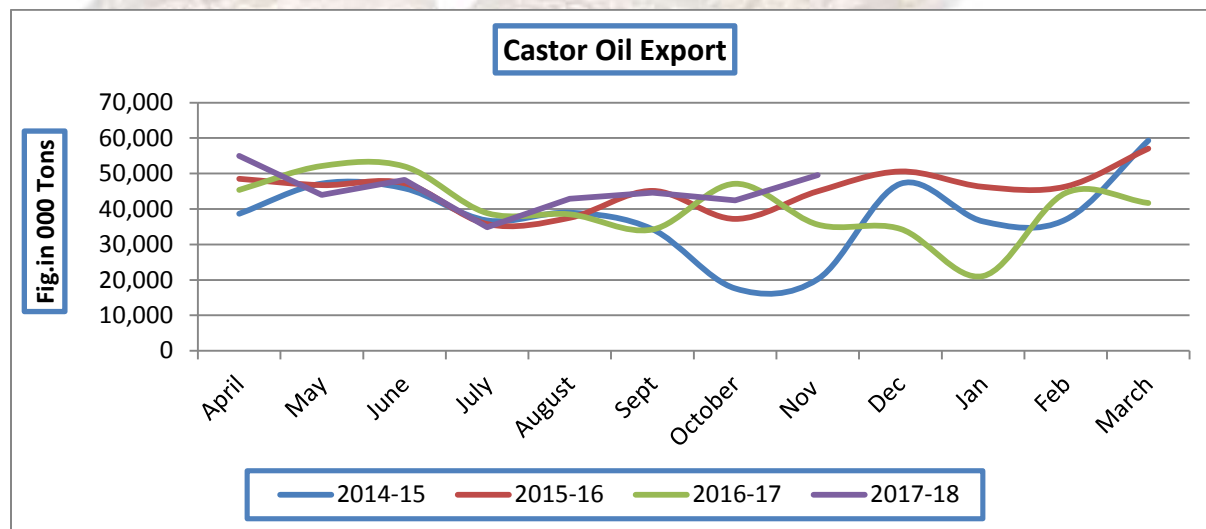
Castor Price Trend:



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:

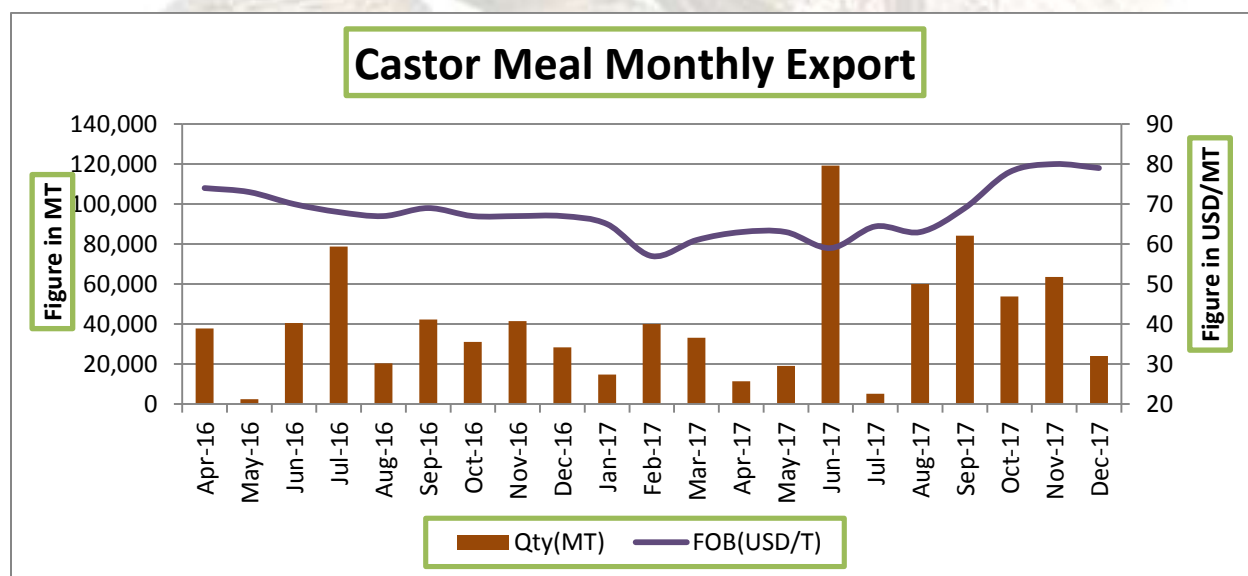


Source: Sea Of India

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 01st week March, 2018

State	Prices 09-15 Mar 2018	Prices 01-08 Mar 2018	Prices 09-15 Mar 2017	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3831.69	3831.69	3831.69	0	0
Gujarat	4058.93	4058.93	4058.93	0	0
Karnataka		3961.33	4298.63	—	—
Maharashtra		3600	3600	—	—

Rajasthan			3991.92	—	—
Tamil Nadu			3810	—	—
Telangana	3856.23	3856.23	3856.23	0	0
Average	3915.62	3861.64	3921.06		

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					
	1st Mar'18	23rd Feb'18	1st Feb'18	1st Mar'17	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	NQ	42650	42700	43264	-
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	NQ	76	77	61	-
EXPORT (FOR) Ports (Rs./MT) Castor meal bulk Kandla	NQ	4700	4800	3952	-
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	NQ	1390	1420	1419	-
Local rates for oil in domestic market (Rs./M.T.) for comm.	88000	90000	89500	92880	-5.55

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	4115	4425	4705
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Feb	Buy	4095	4120	4135	4080

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.

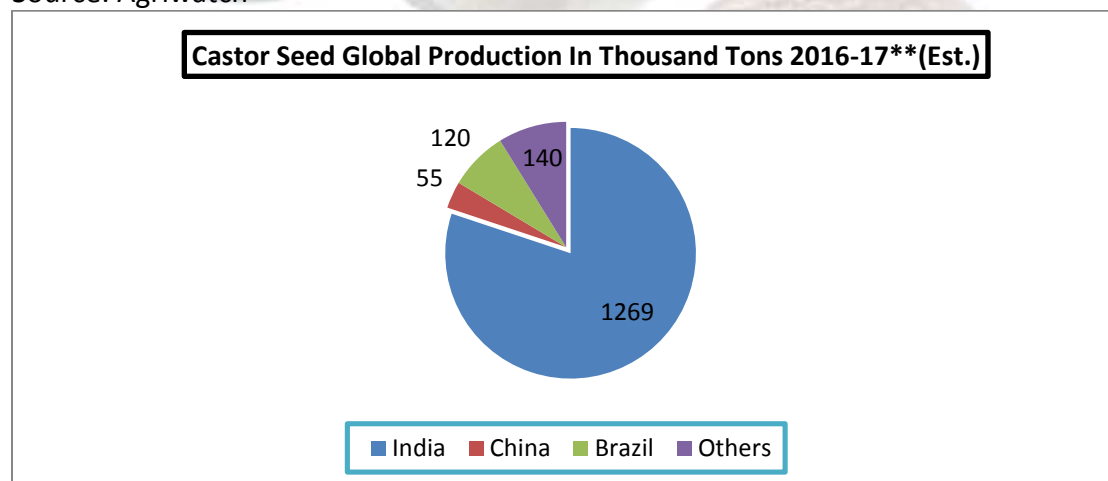
The season started with 5.91 lakh tons as carryout. Thus total availability for current marketing year comes to 18.6 lakh tons if estimated production of 12.69 lakh tons is included. Lower production would drag carryout down from 5.91 to 5.35 lakh tons. It would push seed price up in second and third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

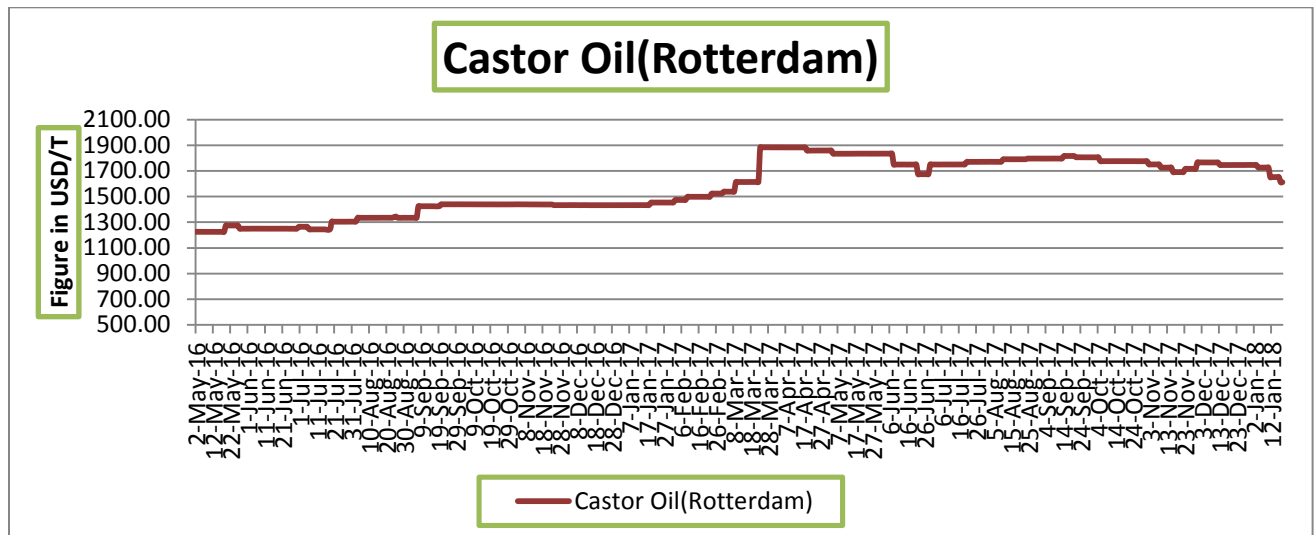
Castor Seed Global Production share:

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
		3rd to 9th March 2018	24th to 1st March 2018	
Gujarat	Patan	4034	4044	-10
	Harij	4048	4038	10
	Rajkot	3891	3921	-30
	Gondal	3949	4405	-456
	Deesa	NR	4046	-
	Bhabar	4028	4030	-2
	Mehsana	3989	4006	-17
	Kadi	4077	4063	14
	Sabarkatha	4021	4035	-14
	Gandhi Nagar	4052	4063	-11
	Ahmedabad (Sanand)	3873	3940	-68
	Halvad	3988	3956	31
	Junagadh	3941	3960	-19
	Dhrol	3643	3617.5	26
Rajasthan	Jodhpur	4074	4046	28
	Sumerpur	3964	3970	-6

Week on Week Price: Scenario of Castor Seed :



Commodity	Market	Today	Week ago	Month ago	Year ago
Center		9-Mar-18	1-Mar-18	9-Feb-18	9-Mar-17
Gujarat	Patan	4125	Closed	4075	4100
	Harij	4175	NR	4075	4105
	Rajkot	3925	3890	3980	3875
	Gondal	4030	NR	4005	3855
	Deesa	Closed	Closed	4150	4125
	Bhabar	4110	Closed	4090	3980
	Mehsana	4065	3975	4025	4100
	Kadi	4175	Closed	4085	4250
	Sabarkatha	4100	4000	4050	4085
	Gandhi Nagar	4150	Closed	4075	4100
	Ahmedabad (Sanand)	3865	NA	4055	4105
	Halvad	4100	Closed	4100	3700
	Junagadh	4005	Closed	4010	3975
	Dhrol	3695	NA	3540	3840
Rajasthan	Jodhpur	4100	Closed	4100	4050
	Sumerpur	4050	3975	4025	4000

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	3rd to 9th March 2018	24th to 1st March 2018	Change
Gujarat	Patan	17625	10500	7125
	Harij	3450	2700	750
	Rajkot	1850	2356	-506
	Gondal	2067	600	1467
	Deesa	NR	4606	-
	Bhabar	11680	7680	4000
	Mehsana	6545	4388	2158
	Kadi	24320	18692	5628
	Sabarkatha	2320	1200	1120
	Gandhi Nagar	6450	3675	2775
	Ahmedabad (Sanand)	80	128	-48
	Halvad	1901	1118	784
	Junagadh	280	85	195
	Dhrol	33	21	12
Rajasthan	Jodhpur	405	360	45
	Sumerpur	4080	5100	-1020



Total Arrivals/Above Markets	83087	63208	19879
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