



Castor Weekly Research Report

Contents

- ❖ Outlook and Review
- ❖ Castor Seed price Chart
- ❖ Export
- ❖ NCDEX Spot Price
- ❖ Outlook
- ❖ Future Chart
- ❖ Progressive Sowing
- ❖ Weekly Spot Price change
- ❖ International Market Update

Castor Domestic Market Fundamentals:

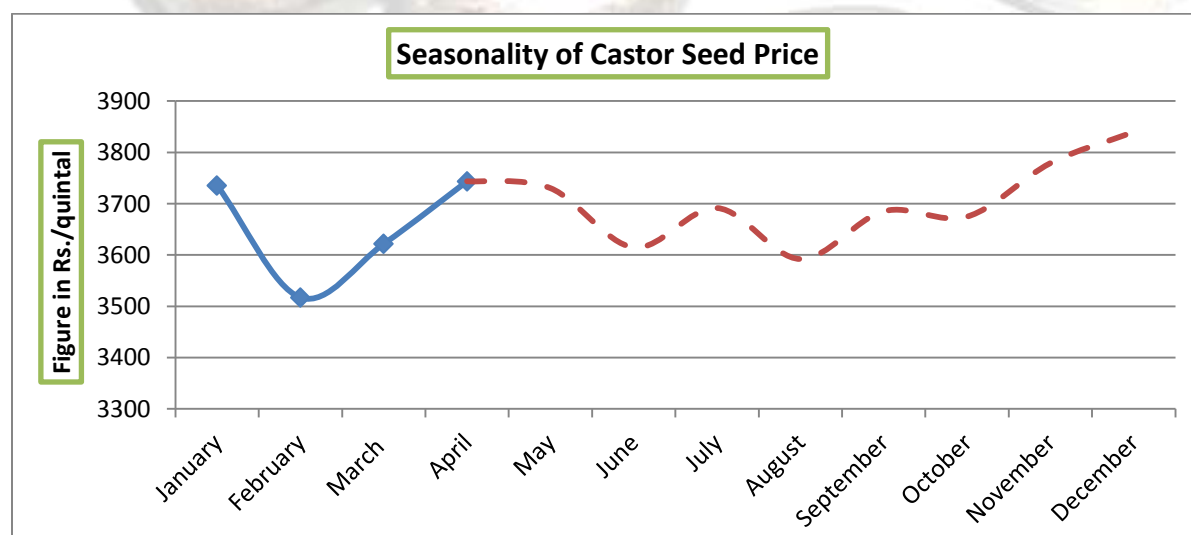
- All India average castor price is around Rs.3597/quintal which is down from last week price of Rs.3896/quintal and down by 0.13% from same period last year price of Rs.3800/quintal.
- As per Agmarknet data, castor arrivals during the current calendar year are at 62,600 tons, down by 18.7% compared 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 extended losses by Rs 40 to Rs 4,220 per quintal in futures trade today as investors cut positions on weak demand in physical and overseas.
- Market players said liquidating of bets continually by operators depressed by the weak trend in spot markets due to increased supplies amid fall in demand for soap, paint and lubricant industries mainly kept the castor seed futures prices negative for the second consecutive day
- 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):

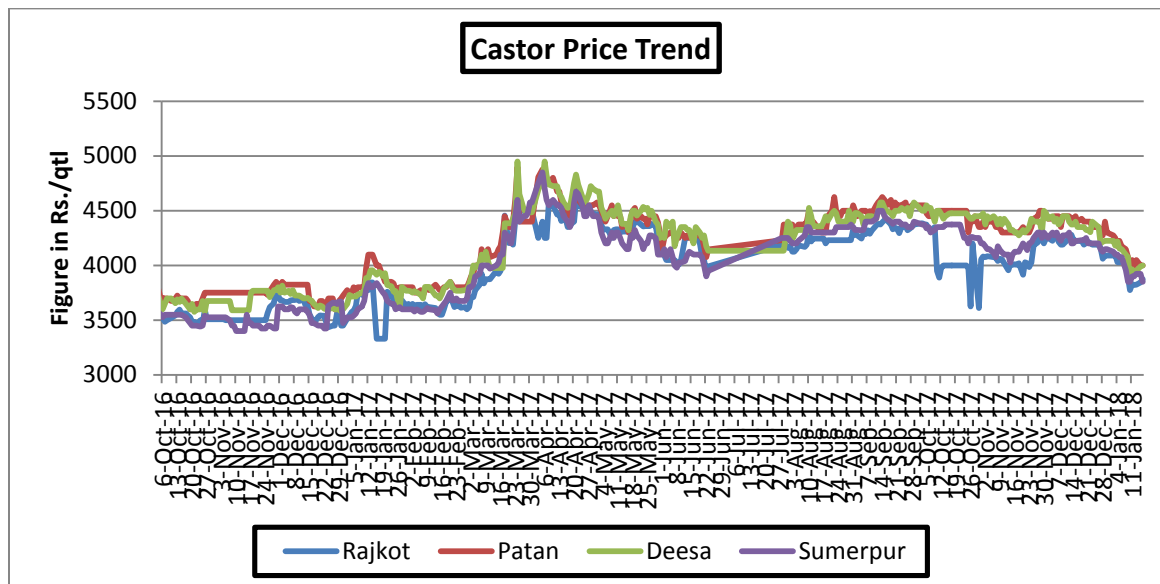
State	Area(2017)	Last Year(2016)	% Change	Normal Area
Gujarat	5.96	5.64	5.67	7.37
Rajasthan	1.6	1.72	-6.98	2.25
Telangana	0.31	0.43	-27.91	0.82
Andhra Pradesh	0.33	0.43	-23.26	0.89
Karnataka	0.07	0.11	-36.36	0.12
Maharashtra	0.07	0.12	-41.67	0.16
Others	0.38	0.33	15.15	0.23
Total	8.45	8.59	-1.63	11.84

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

Seasonality of Castor Seed Price



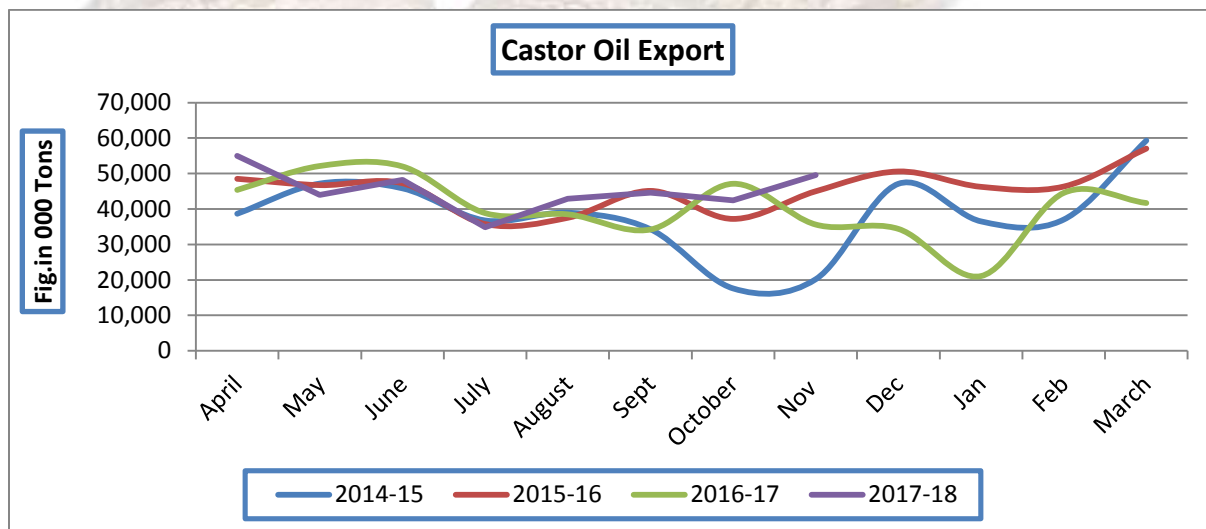
Castor Price Trend:



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:

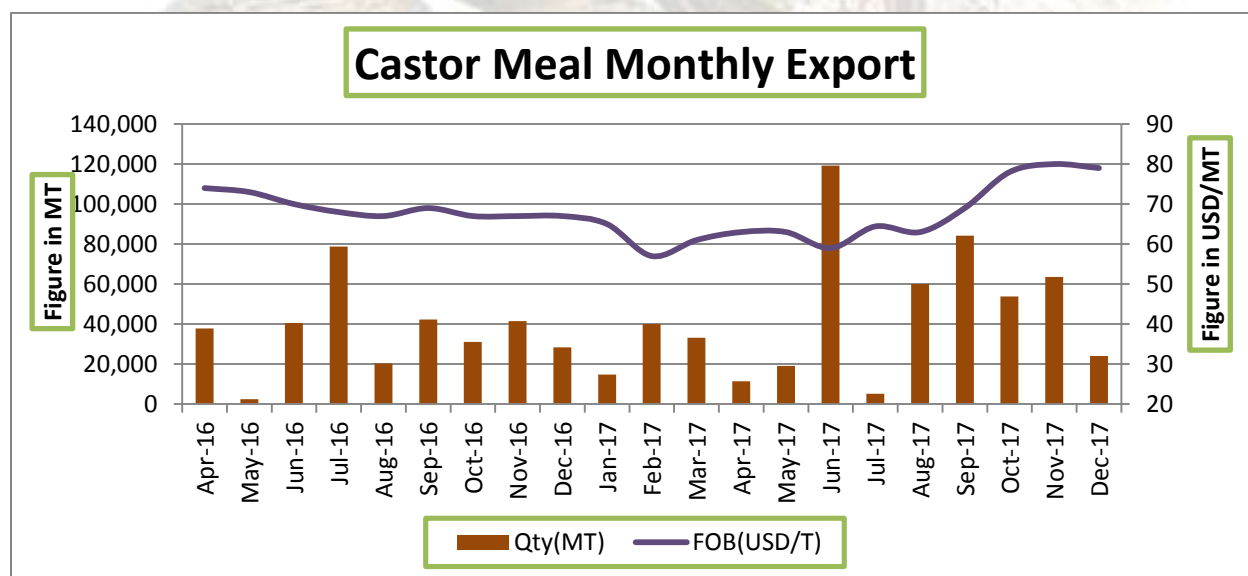


Source: Sea Of India

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 02nd week March, 2018

Variety	Prices 09-15 Mar 2018	Prices 01-08 Mar 2018	Prices 09-15 Feb 2018	Prices 09-15 Mar 2017	% Change(Over Previous Week)	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh							
Caster				3578	—	—	—
Castor seed	3809.96	3809.96	3809.96	3809.96	0	0	0
Other	3775.78	3775.78	3775.78	3775.78	0	0	0

Gujarat							
Caster	4011.91	4011.91	4011.91	4044.8	0	0	-0.81
Castor seed	3987.25	3987.25	3987.25	4031.95	0	0	-1.11
Other	4006.66	4006.66	4006.66	4018.68	0	0	-0.3
Karnataka							
Castor seed	3513	3961.33	3961.33	3961.33	-11.32	-11.32	-11.32
Maharashtra							
Other	3600	3600	3650	3650	0	-1.37	-1.37
Rajasthan							
Other				3991.92	—	—	—
Tamil Nadu							
Other	3910.26	3910.26	3910.26	3910.26	0	0	0
Telangana							
Caster	3928.59	3968.03	4017.93	4017.93	-0.99	-2.22	-2.22
Castor seed	3852.73	3852.73	3852.73	3852.73	0	0	0
Other	3863	3863	3886.47	3886.47	0	-0.6	-0.6
Average	2597.49	3896.22	3896.22	3848.1			

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

Source: SEA.

Comparative Prices Of Castor Products Including Seed					
	9th Mar'18	01st Mar'18	9th Feb'18	9th Mar'17	CHANG E %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	42700	NQ	42000	43264	-1.32
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	72.00	NQ	76	61.00	15.28
EXPORT (FOR) Ports (Rs./MT) Castor meal bulk Kandla	4550	NQ	4650	3952	13.14
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1380	NQ	1380	1419	-2.83
Local rates for oil in domestic market (Rs./M.T.) for comm.	87500	88000	90000	92880	-6.15

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	Apr	3850	3900	4166	4425	4705
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Apr	Buy	4150	4175	4195	4142

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.

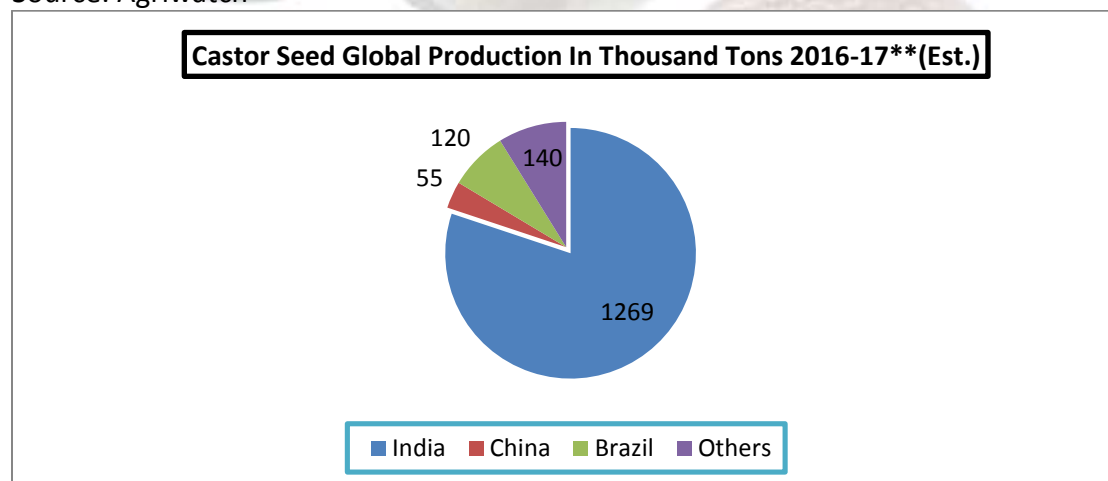
The season started with 5.91 lakh tons as carryout. Thus total availability for current marketing year comes to 18.6 lakh tons if estimated production of 12.69 lakh tons is included. Lower production would drag carryout down from 5.91 to 5.35 lakh tons. It would push seed price up in second and third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

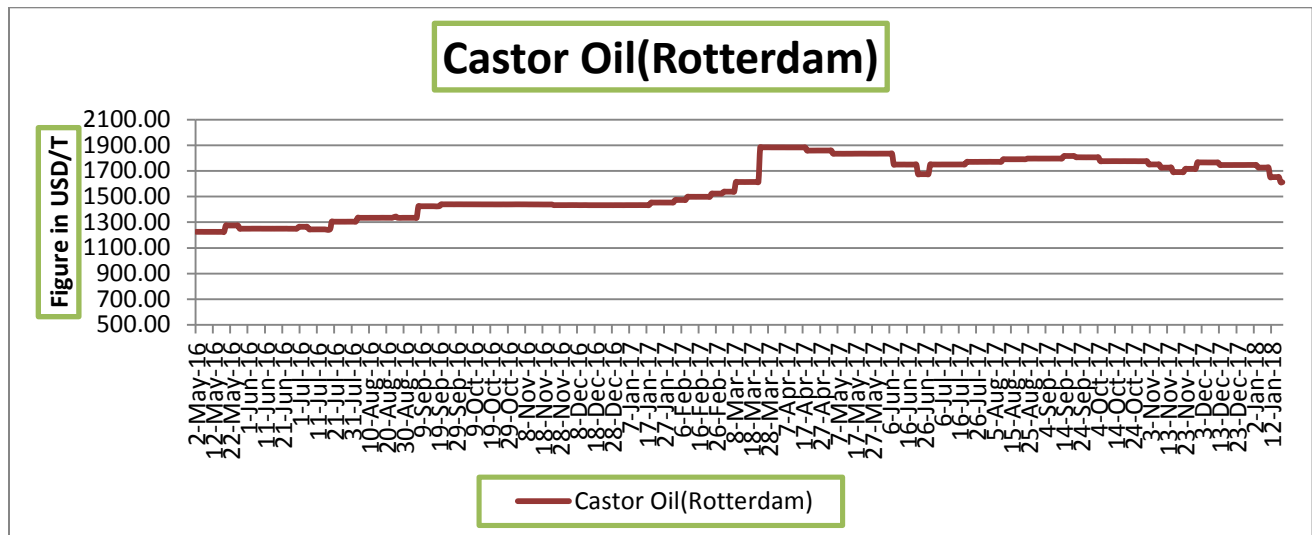
Castor Seed Global Production share:

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 March 2018	3rd to 9th March 2018	
Gujarat	Patan	4063	4034	28
	Harij	4061	4048	13
	Rajkot	3957	3891	66
	Gondal	3985	3949	36
	Deesa	4053	NR	-
	Bhabar	4038	4028	9
	Mehsana	4023	3989	33
	Kadi	4071	4077	-6
	Sabarkatha	4058	4021	37
	Gandhi Nagar	4067	4052	15
	Ahmedabad (Sanand)	3990	3873	118
	Halvad	3893	3988	-94
	Junagadh	3982	3941	40
	Dhrol	3660	3643	17
Rajasthan	Jodhpur	4088	4074	14
	Sumerpur	3975	3964	11

Week on Week Price: Scenario of Castor Seed :



Commodity	Market	Today	Week ago	Month ago	Year ago
Center		16-Mar-18	8-Mar-18	16-Feb-18	16-Mar-17
Gujarat	Patan	4050	4075	4100	4175
	Harij	4035	4150	4025	4150
	Rajkot	3925	3905	3875	3950
	Gondal	3955	3955	NR	4030
	Deesa	4010	Closed	4035	3975
	Bhabar	4025	4100	4035	4015
	Mehsana	4025	4000	4000	4125
	Kadi	4025	4150	4065	4200
	Sabarkatha	4025	4050	3975	4150
	Gandhi Nagar	4050	4075	4050	4150
	Ahmedabad (Sanand)	3950	NA	3925	4350
	Halvad	3850	4050	3975	3975
	Junagadh	3925	3975	NA	4080
	Dhrol	3755	3700	3650	3740
Rajasthan	Jodhpur	4080	4080	4130	4110
	Sumerpur	3975	3950	4000	4100

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	10th to 16th March 2018	3rd to 9th March 2018	Change
Gujarat	Patan	24000	17625	6375
	Harij	8025	3450	4575
	Rajkot	4880	1850	3030
	Gondal	2911	2067	844
	Deesa	5683	NR	-
	Bhabar	15080	11680	3400
	Mehsana	8700	6545	2155
	Kadi	34720	24320	10400
	Sabarkatha	4080	2320	1760
	Gandhi Nagar	7050	6450	600
	Ahmedabad (Sanand)	222	80	142
	Halvad	2438	1901	536
	Junagadh	575	280	295
	Dhrol	96	33	63
Rajasthan	Jodhpur	570	405	165
	Sumerpur	9200	4080	5120



Total Arrivals/Above Markets	128230	83087	45144
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