



Castor Weekly Research Report

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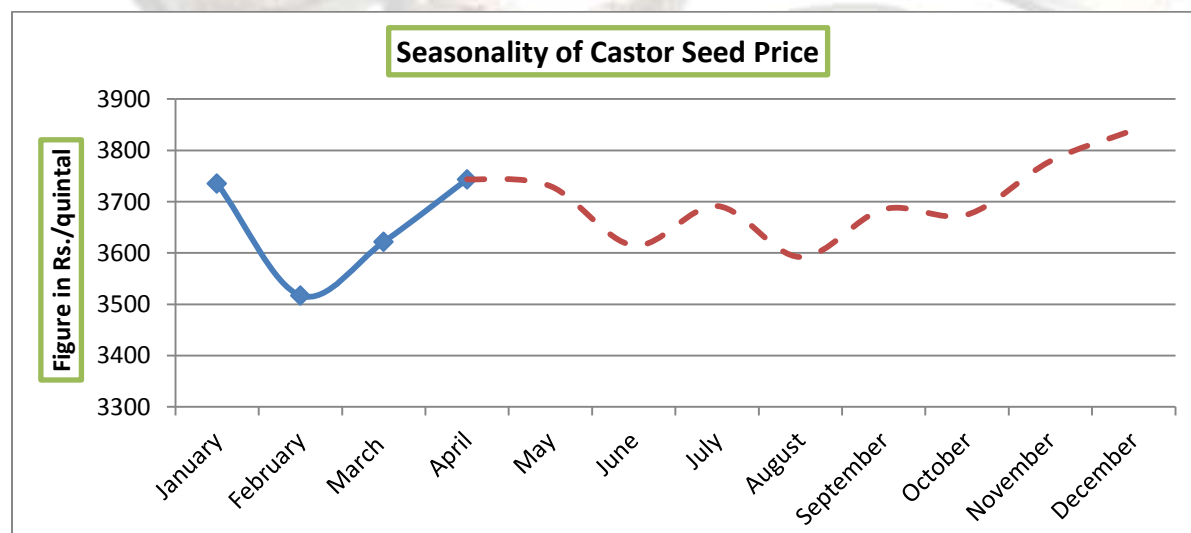
Castor Domestic Market Fundamentals:

- 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.
- Castor seed prices slipped by Rs 5 to Rs 4,080 per quintal in futures trading today as traders preferred to cut down holdings in line with weak sentiment amid feeble export demand.
- Meanwhile weak spot markets sentiment due to weak demand for paint, soap and lubricant industries amid abundant availability of ready stocks in the market discouraged traders, resulting in fall in castor seed futures prices.
- All India castor seed weekly prices were traded weak in fourth week of March with higher arrival, all India arrival of castor seed reported were 157830 quintals which was lower by 29600 quintals than last week arrivals of 128230 quintals.
- 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.
- 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

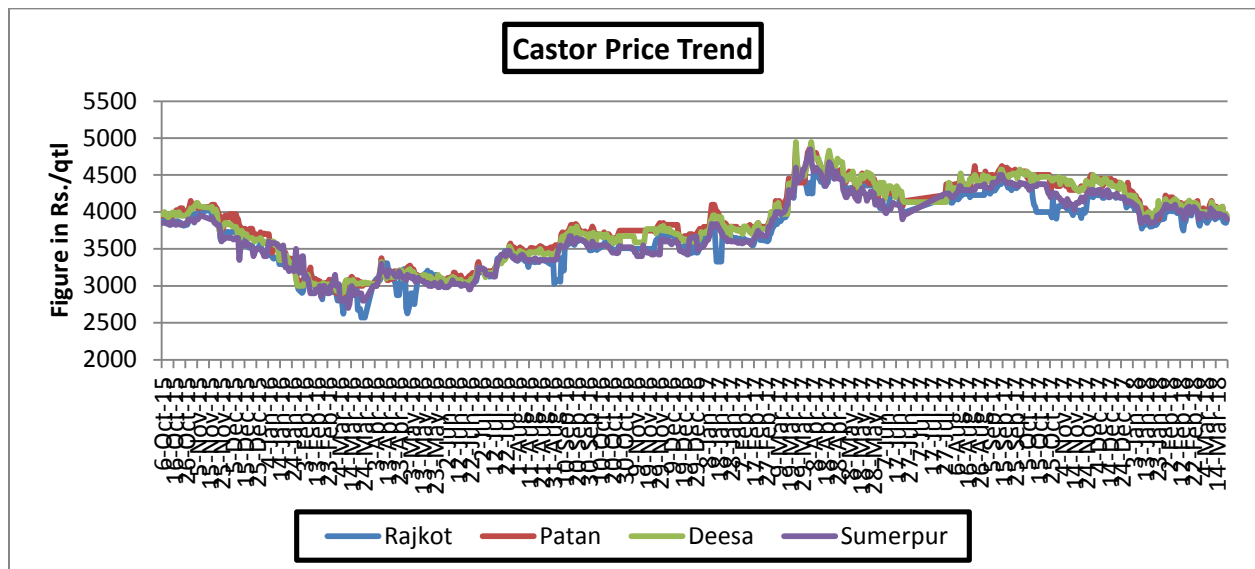
Castor Seed Sowing Updates as on 13th October September-2017 (in Lakh Hectare):

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


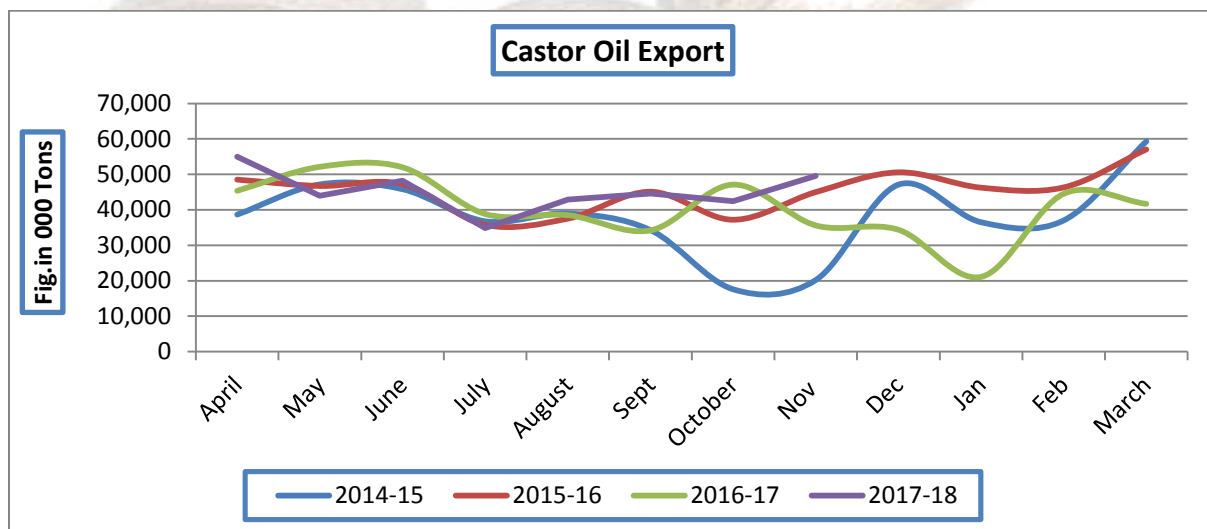
Castor Price Trend:



Source: Agriwatch

Indian castor seed market was in steady trend during the period from Oct 2017 to March 2018, now prices are expected to trade steady in the arrival season.

Castor Oil Export Trend:

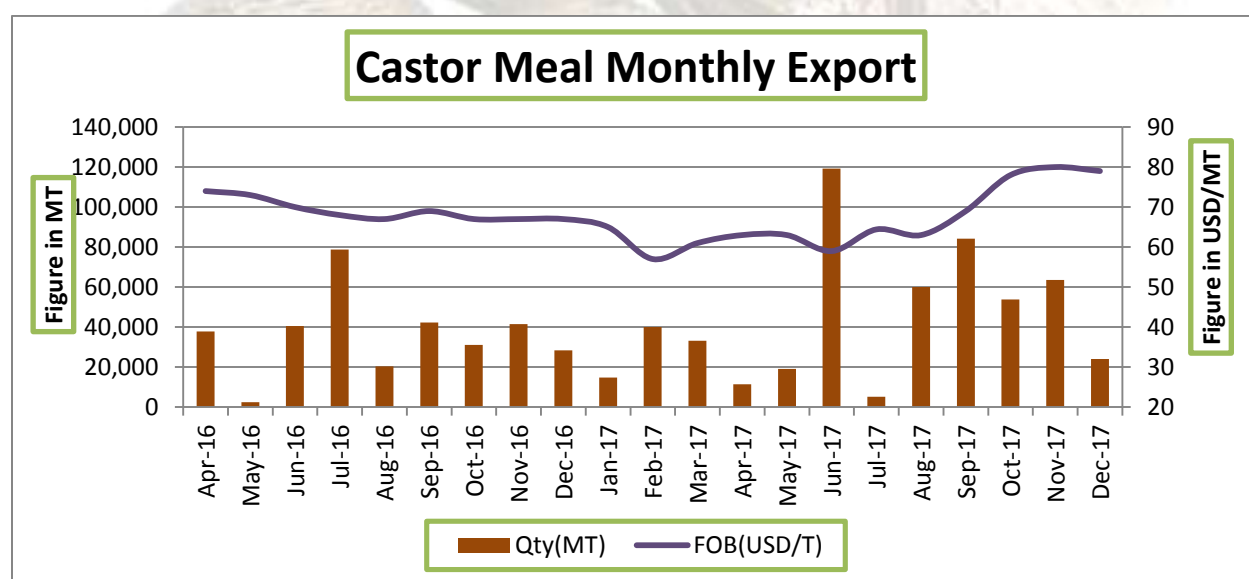


Source: Sea Of India

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 03rd week March, 2018

State	Prices 16-23 Mar 2018	Prices 09-15 Mar 2018	Prices 16-23 Mar 2017	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3854.22	3854.22	3854.22	0	0
Chhattisgarh	800	800	800	0	0
Gujarat	3929.56	4001.8	4364.83	-1.81	-9.97

Karnataka	4002.91	4002.91	4002.91	0	0
Madhya Pradesh			1101	---	---
Maharashtra	3250	3600	3600	-9.72	-9.72
Rajasthan			4204.26	---	---
Tamil Nadu		3910.26	3910.26	---	---
Telangana	3841.24	3874.8	4040.43	-0.87	-4.93
Average	3279.66	3434.86	3319.77		

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	CHANGE %
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	4085	4425	4705
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Apr	Buy	4100	4135	4145	4090

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.

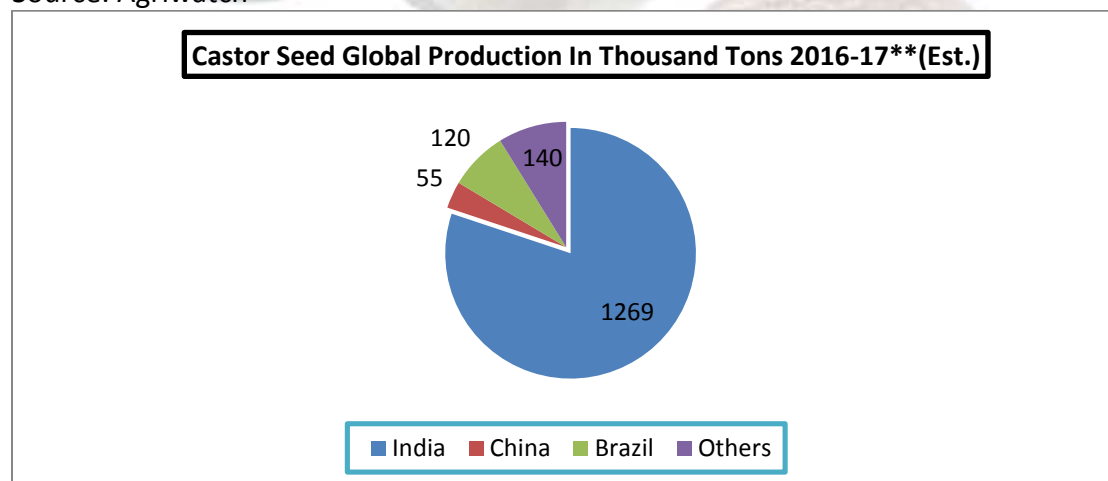
The season started with 5.91 lakh tons as carryout. Thus total availability for current marketing year comes to 18.6 lakh tons if estimated production of 12.69 lakh tons is included. Lower production would drag carryout down from 5.91 to 5.35 lakh tons. It would push seed price up in second and third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

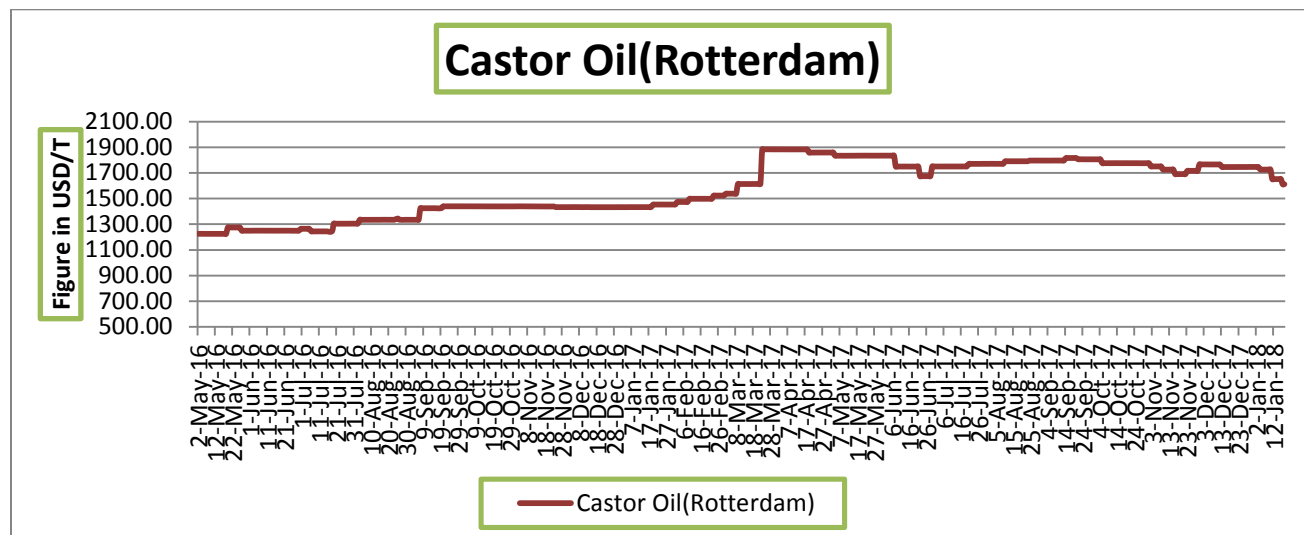
Castor Seed Global Production share:

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		17th to 23rd March 2018	10th to 16th March 2018	
Gujarat	Patan	3988	4063	-75
	Harij	3992	4061	-69
	Rajkot	3889	3957	-68
	Gondal	3914	3985	-71
	Deesa	4004	4053	-48
	Bhabar	3990	4038	-48
	Mehsana	3973	4023	-49
	Kadi	4001	4071	-70
	Sabarkatha	4004	4058	-53
	Gandhi Nagar	3993	4067	-74
	Ahmedabad (Sanand)	3958	3990	-33
	Halvad	3929	3893	36
	Junagadh	3918	3982	-63
	Dhrol	3638.333333	3660	-22
Rajasthan	Jodhpur	4092	4088	3
	Sumerpur	3942	3975	-33



Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		23-Mar-18	16-Mar-18	23-Feb-18	23-Mar-17
Gujarat	Patan	3925	4050	4075	4600
	Harij	3925	4035	4125	4800
	Rajkot	3885	3925	4025	4405
	Gondal	3855	3955	NR	4325
	Deesa	3950	4010	4130	4480
	Bhabar	NR	4025	4110	4350
	Mehsana	3925	4025	4350	4625
	Kadi	3950	4025	4155	4775
	Sabarkatha	3925	4025	4100	4600
	Gandhi Nagar	3950	4050	4100	4700
	Ahmedabad (Sanand)	NA	3950	4055	4410
	Halvad	3925	3850	4000	4585
	Junagadh	3805	3925	NR	4490
	Dhrol	Closed	3755	NA	4095
Rajasthan	Jodhpur	4070	4080	4130	4620
	Sumerpur	3900	3975	4070	4450

Castor Seed Cumulative Arrivals in Key Centers:				
Center	Market	17th to 23rd March 2018	10th to 16th March 2018	Change
Gujarat	Patan	39375	24000	15375
	Harij	7950	8025	-75
	Rajkot	6885	4880	2005
	Gondal	6593	2911	3682
	Deesa	7838	5683	2154
	Bhabar	15760	15080	680
	Mehsana	8850	8700	150
	Kadi	38060	34720	3340
	Sabarkatha	5600	4080	1520
	Gandhi Nagar	7950	7050	900
	Ahmedabad (Sanand)	216	222	-6
	Halvad	2475	2438	38
	Junagadh	380	575	-195
	Dhrol	76	96	-21
Rajasthan	Jodhpur	623	570	53

	Sumerpur	9200	9200	Unch
Total Arrivals/Above Markets		157830	128230	29600

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