



# 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

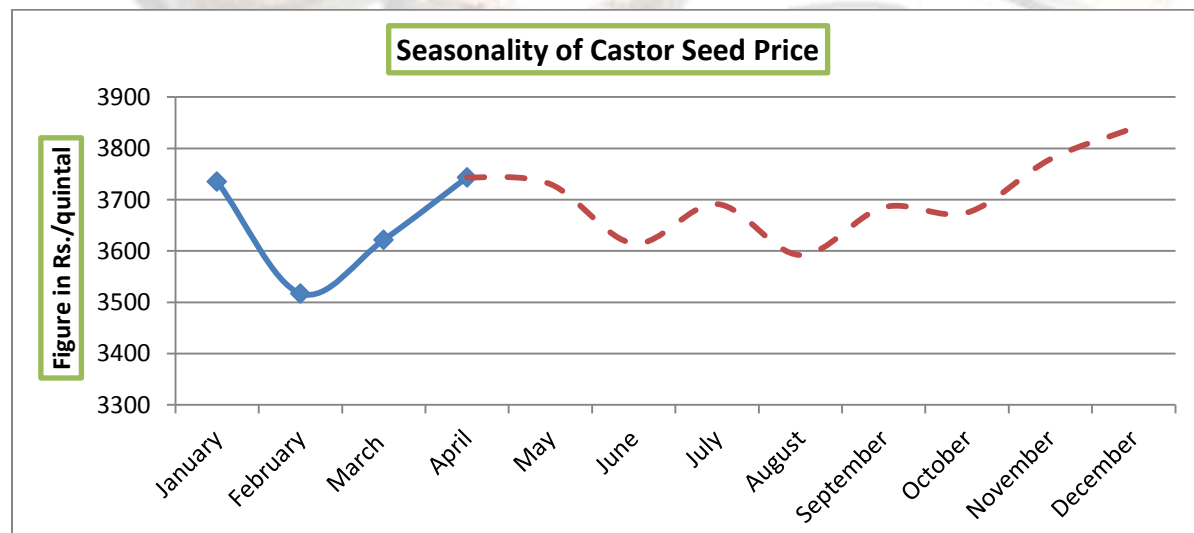
**Castor Domestic Market Fundamentals:**

- All India average castor price is around Rs.3619/quintal which is up from last week price of Rs.3369/quintal and down by 2.40% from same period last year price of Rs.3708/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 29060 quintals which was lower by 128796 quintals than last week arrivals of 157830 quintals.
- Mostly Castor cash Markets were closed in last week of March due to March Ending and long holidays.
- 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

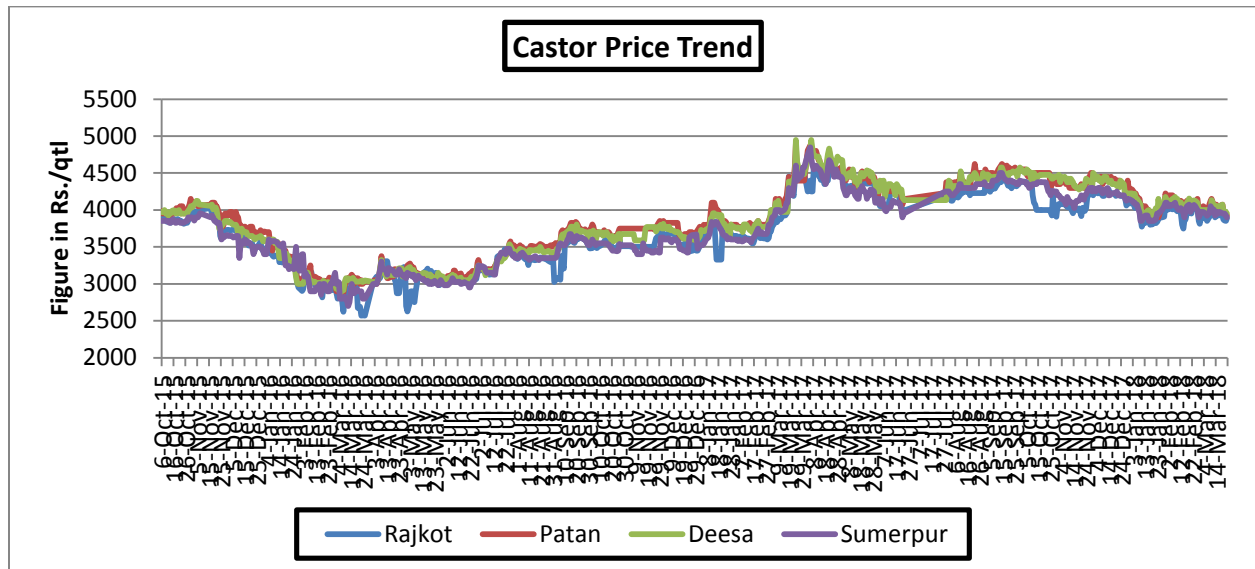
**Castor Seed Sowing Updates as on 13<sup>th</sup> October September-2017 (in Lakh Hectare):**

| 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. 3850-3950 for profit purpose.

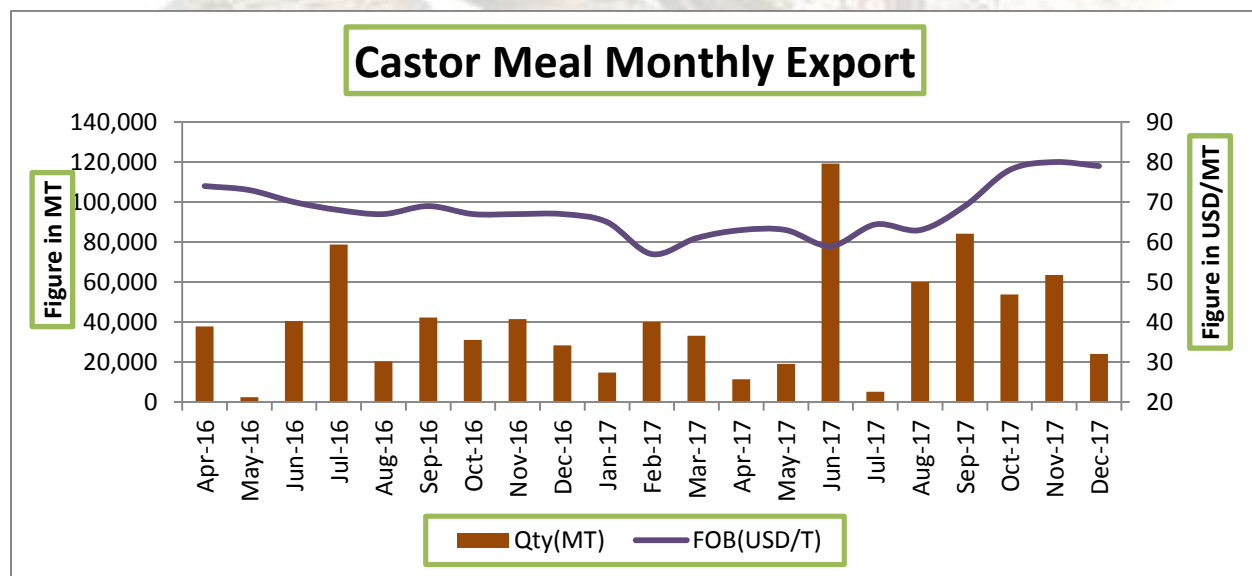
**Seasonality of Castor Seed Price**


### Castor Price Trend:



### 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 04<sup>th</sup> week March, 2018

| State          | Prices 24-31 Mar 2018 | Prices 16-23 Mar 2018 | Prices 24-31 Mar 2017 | % Change(Over Previous Week) | % Change(Over Previous Year) |
|----------------|-----------------------|-----------------------|-----------------------|------------------------------|------------------------------|
| Andhra Pradesh |                       | 3854.22               | 3962.36               | ---                          | ---                          |
| Chattisgarh    |                       | 800                   | 800                   | ---                          | ---                          |
| Gujarat        | 3878.25               | 3929.55               | 4592.79               | -1.31                        | -15.56                       |

|             |         |         |         |       |        |
|-------------|---------|---------|---------|-------|--------|
| Karnataka   |         | 4002.91 | 4002.91 | ---   | ---    |
| Maharashtra | 3050    | 3310    | 3600    | -7.85 | -15.28 |
| Rajasthan   | 3716.28 | 3840.07 | 4570.79 | -3.22 | -18.7  |
| Tamil Nadu  |         |         | 4150    | ---   | ---    |
| Telangana   | 3830.18 | 3841.24 | 3983.85 | -0.29 | -3.86  |
| Average     | 3618.68 | 3368.28 | 3707.84 |       |        |

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  | 4134 | 4425 | 4705 |
| Pre Weekly Trade Call           |       |     | Call | Entry | T1   | T2   | SL   |
| Castor                          | NCDEX | Apr | Buy  | 4120  | 4150 | 4180 | 4100 |

**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.

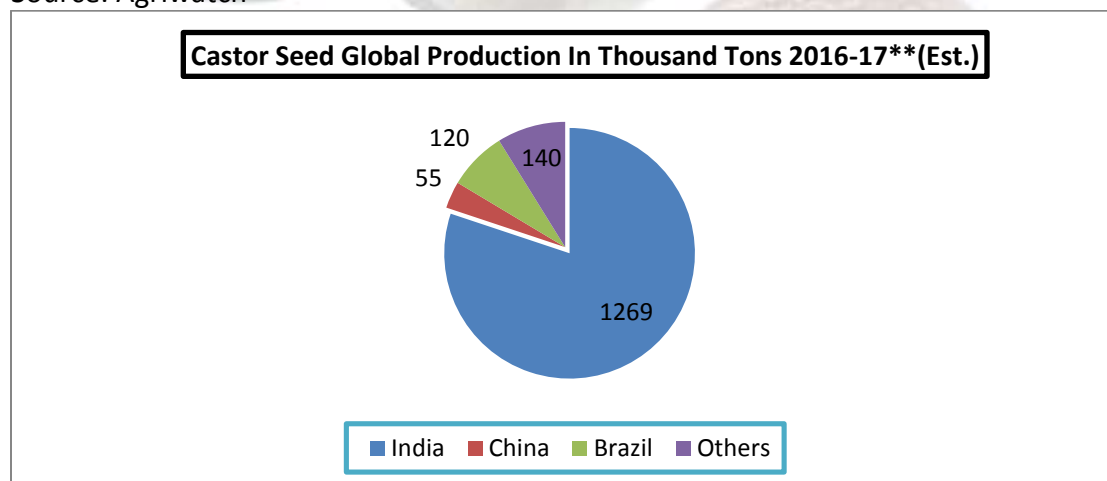


### Castor Seed Supply & Demand for MY-2017-18:

| 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



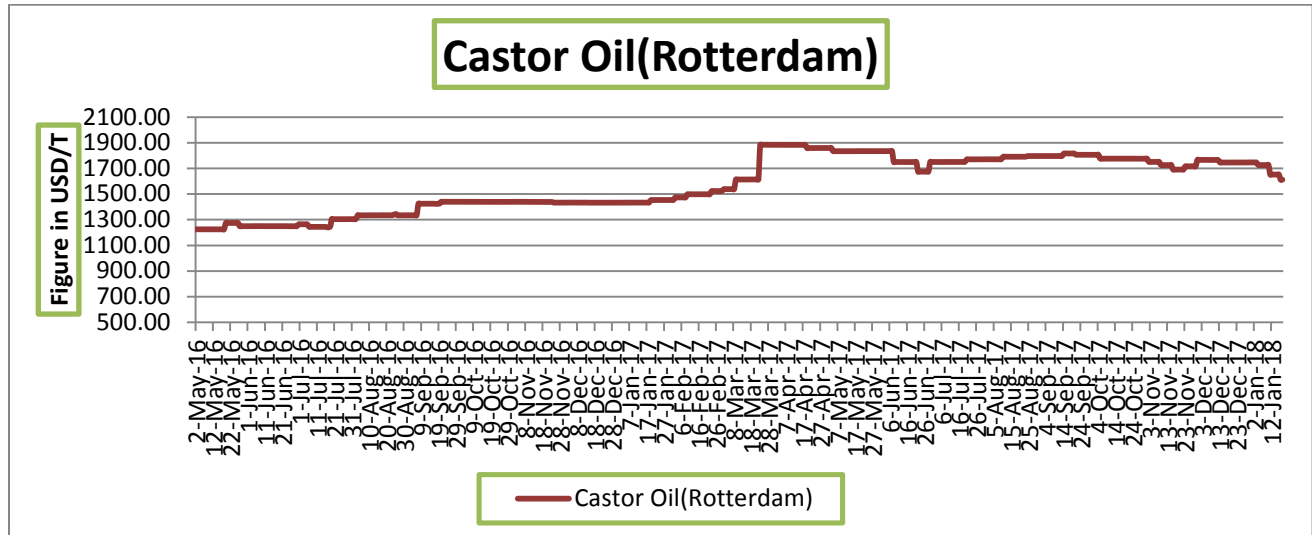
### International market update:

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 |
|-----------|--------------------|-------------------------|-------------------------|--------|
|           |                    | 24th to 30th March 2018 | 17th to 23rd March 2018 |        |
| Gujarat   | Patan              | 3925                    | 3988                    | -63    |
|           | Harij              | 3925                    | 3992                    | -67    |
|           | Rajkot             | NR                      | 3889                    | -      |
|           | Gondal             | NR                      | 3914                    | -      |
|           | Deesa              | 3945                    | 4004                    | -59    |
|           | Bhabar             | 3910                    | 3990                    | -80    |
|           | Mehsana            | 3925                    | 3973                    | -48    |
|           | Kadi               | 3955                    | 4001                    | -46    |
|           | Sabarkatha         | 3944                    | 4004                    | -60    |
|           | Gandhi Nagar       | 3950                    | 3993                    | -43    |
|           | Ahmedabad (Sanand) | 3875                    | 3958                    | -83    |
|           | Halvad             | 3875                    | 3929                    | -54    |
|           | Junagadh           | 3760                    | 3918                    | -158   |
|           | Dhrol              | NR                      | 3638                    | -      |
| Rajasthan | Jodhpur            | NR                      | 4092                    | -      |
|           | Sumerpur           | 3888                    | 3942                    | -54    |

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

| Commodity | Market | Today | Week ago | Month ago | Year ago |
|-----------|--------|-------|----------|-----------|----------|
|-----------|--------|-------|----------|-----------|----------|

| Center    |                    | 30-Mar-18 | 23-Mar-18 | 28-Feb-18 | 30-Mar-17 |
|-----------|--------------------|-----------|-----------|-----------|-----------|
| Gujarat   | Patan              | Closed    | 3925      | 3950      | 4400      |
|           | Harij              | Closed    | 3925      | 3975      | 4550      |
|           | Rajkot             | Closed    | 3885      | 3815      | 4760      |
|           | Gondal             | Closed    | 3855      | 4405      | 4430      |
|           | Deesa              | Closed    | 3950      | 3960      | 4485      |
|           | Bhabar             | Closed    | NR        | 3960      | NR        |
|           | Mehsana            | Closed    | 3925      | 3950      | 4475      |
|           | Kadi               | Closed    | 3950      | 4005      | 4575      |
|           | Sabarkatha         | Closed    | 3925      | 3975      | 4500      |
|           | Gandhi Nagar       | Closed    | 3950      | 4000      | 4600      |
|           | Ahmedabad (Sanand) | Closed    | NA        | 3875      | NR        |
|           | Halvad             | Closed    | 3925      | 3950      | 4810      |
|           | Junagadh           | Closed    | 3805      | NA        | 4515      |
|           | Dhrol              | Closed    | Closed    | 3635      | 4455      |
| Rajasthan | Jodhpur            | Closed    | 4070      | 4060      | 4680      |
|           | Sumerpur           | Closed    | 3900      | 3925      | 4575      |

| Castor Seed Cumulative Arrivals in Key Centers: |                    |                         |                         |         |
|---|--------------------|-------------------------|-------------------------|---------|
| Center  | Market             | 24th to 30th March 2018 | 17th to 23rd March 2018 | Change  |
| Gujarat   | Patan              | 7500                    | 39375                   | -31875  |
|   | Harij              | 1125                    | 7950                    | -6825   |
|   | Rajkot             | NR                      | 6885                    | -       |
|   | Gondal             | NR                      | 6593                    | -       |
|   | Deesa              | 2275                    | 7838                    | -5562   |
|   | Bhabar             | 3200                    | 15760                   | -12560  |
|   | Mehsana            | 1050                    | 8850                    | -7800   |
|   | Kadi               | 4400                    | 38060                   | -33660  |
|   | Sabarkatha         | 2720                    | 5600                    | -2880   |
|   | Gandhi Nagar       | 1350                    | 7950                    | -6600   |
|   | Ahmedabad (Sanand) | 160                     | 216                     | -56     |
|   | Halvad             | 450                     | 2475                    | -2025   |
|   | Junagadh           | 30                      | 380                     | -350    |
|   | Dhrol              | NR                      | 76                      | -       |
| Rajasthan                                       | Jodhpur            | NR                      | 623                     | -       |
|   | Sumerpur           | 4800                    | 9200                    | -4400   |
| Total Arrivals/Above Markets                    |                    | 29060                   | 157830                  | -128769 |

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