



Castor Weekly Research Report

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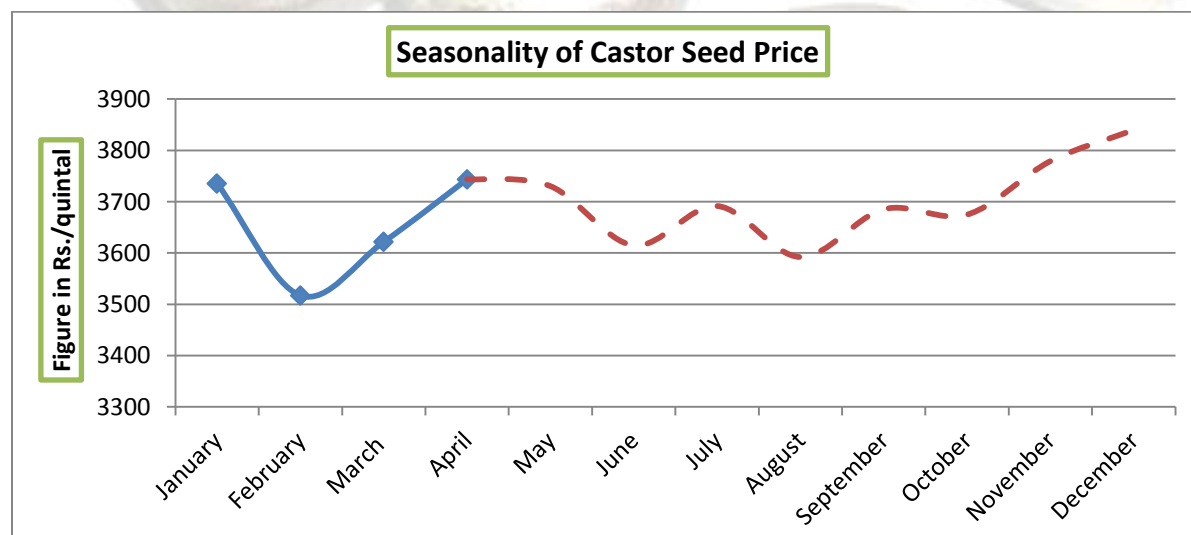
Castor Domestic Market Fundamentals:

- 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.
- 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

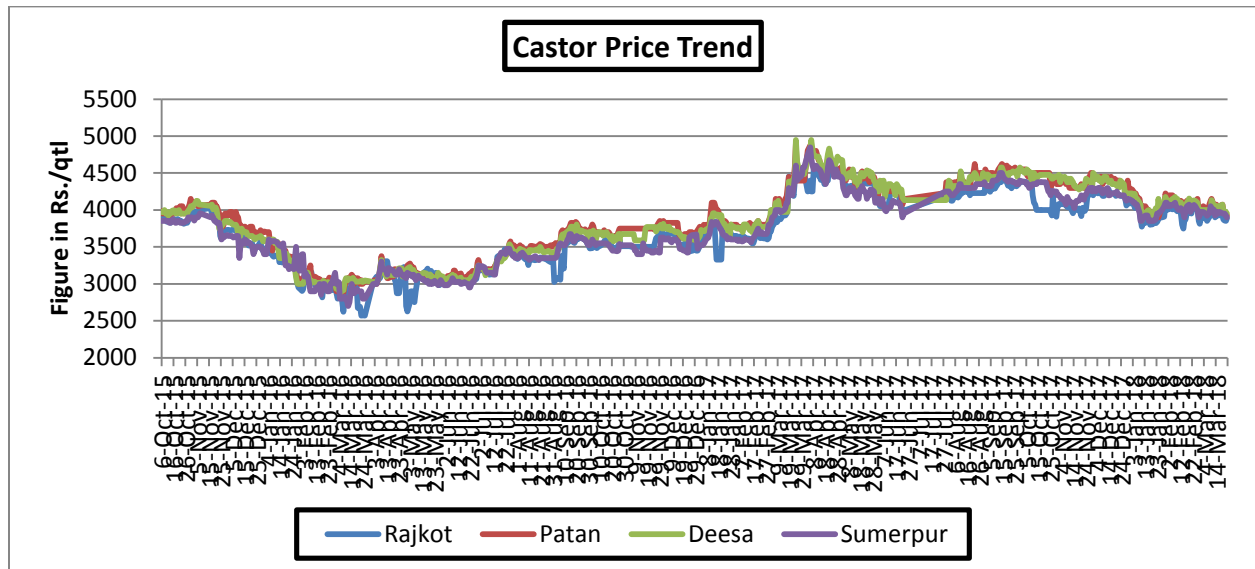
Castor Seed Sowing Updates as on 13th October September-2017 (in Lakh Hectare):

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


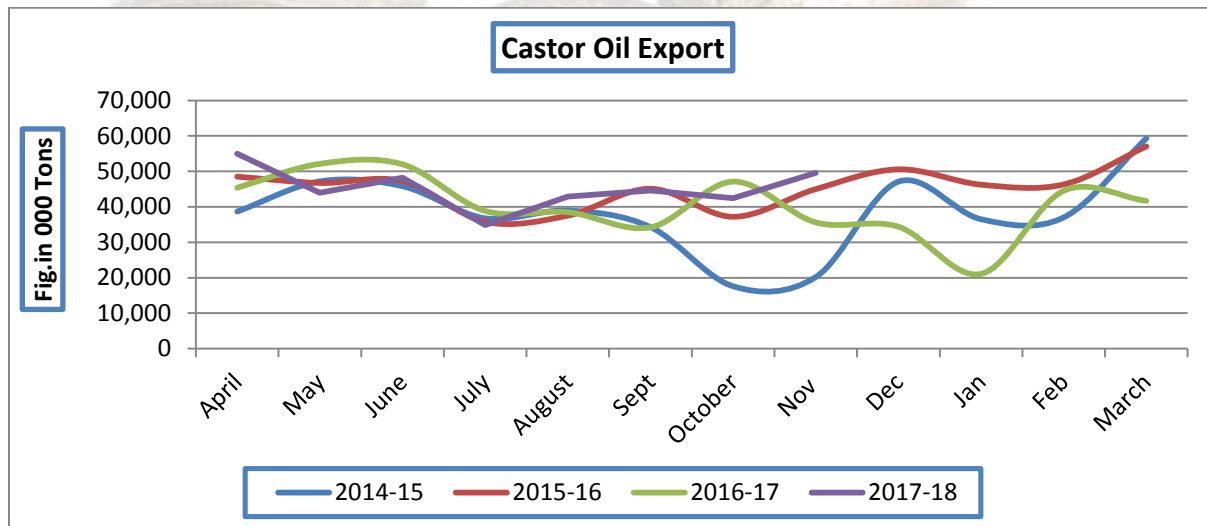
Castor Price Trend:



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:

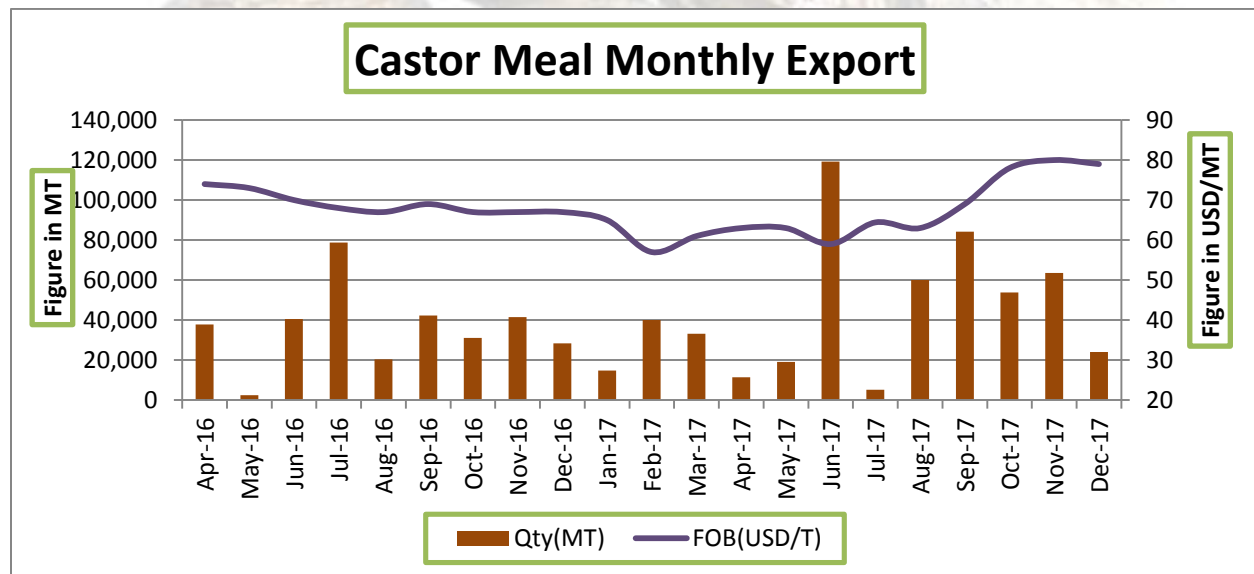


Source: Sea Of India

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 04th week April, 2018

State	Prices 16-23 Apr 2018	Prices 09-15 Apr 2018	Prices 16-23 Apr 2017	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh			3923.08	---	---
Gujarat	3796.65	3845.57	4565.78	-1.27	-16.85
Karnataka		3679.95	4135.33	---	---

Maharashtra	3175	3474.71	3648.75	-8.63	-12.98
Rajasthan			4330.61	---	---
Tamil Nadu			3756.36	---	---
Telangana	3824.47	3862.22	3984.27	-0.98	-4.01
Average	3598.71	3715.61	4049.17		

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					
	13th April'18	6th April'18	13th March'18	13th April'17	CHAN GE %
Castor seed (Gujarat)((Rs./M.T) Ex-Mandi	40900	41000	41250	47876	-17.06
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	63	66	72	63	Unch
EXPORT (FOR) Ports (Rs./MT) Castor meal bulk Kandla	4100	4200	4550	4071	0.71
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1310	1325	1355	1587	-21.15
Local rates for oil in domestic market (Rs./M.T.) for comm.	86500	86500	87500	103292	-19.41

Technical Analysis:
Castor – Technical Outlook
Technical Commentary:

- Prices are likely to move steady to weak 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	May	3850	3900	4133	4250	4300
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	May	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.

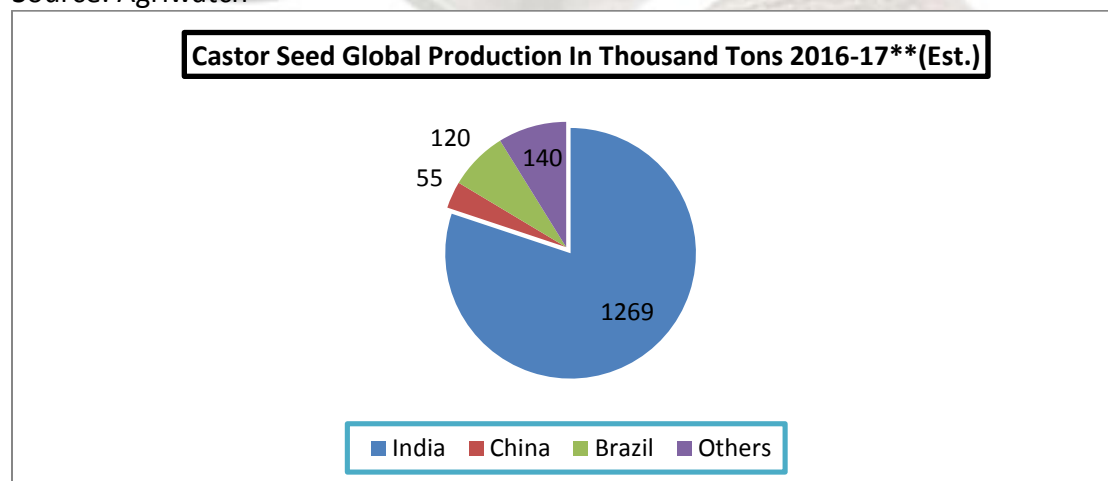
The season started with 5.91 lakh tons as carryout. Thus total availability for current marketing year comes to 18.6 lakh tons if estimated production of 12.69 lakh tons is included. Lower production would drag carryout down from 5.91 to 5.35 lakh tons. It would push seed price up in second and third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

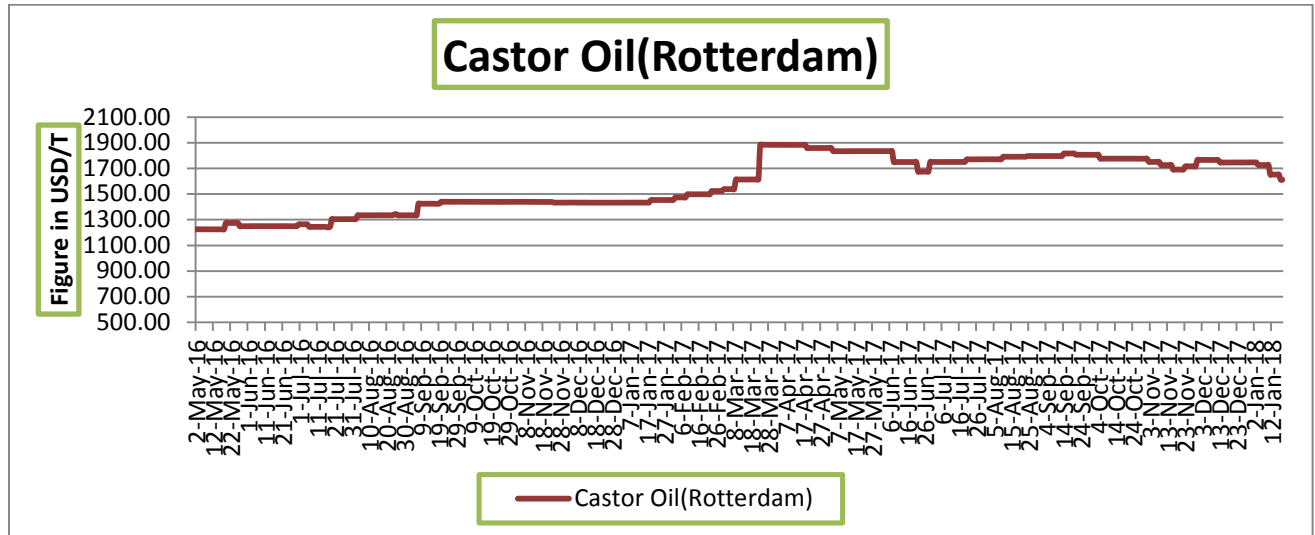
Castor Seed Global Production share:

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
		14th to 20th April 2018	07th to 13rd April 2018	
Gujarat	Patan	3862	3908	-46
	Harij	3858	3940	-83
	Rajkot	3789	3805	-16
	Gondal	3853	3867	-13
	Deesa	3903	3918	-15
	Bhabar	3922	3918	4
	Mehsana	3838	3899	-62
	Kadi	3885	3923	-38
	Sabarkatha	3850	3925	-75
	Gandhi Nagar	3888	3938	-50
	Ahmedabad (Sanand)	3828	3827	1
	Halvad	3820	3813	8
	Junagadh	3891	3772	120
	Dhrol	3593	3608	-15
Rajasthan	Jodhpur	3972	3923	48
	Sumerpur	3847	3848	-2

Week on Week Price: Scenario of Castor Seed :					
Commodity		Today	Week ago	Month ago	Year ago
Center	Market	20-Apr-18	13-Apr-18	20-Mar-18	20-Apr-17
Gujarat	Patan	3900	3925	4000	4650
	Harij	NR	3925	4000	4750
	Rajkot	3850	3810	3870	4400
	Gondal	NA	3900	3905	4380
	Deesa	3920	3950	3995	4755
	Bhabar	3850	3975	4000	0
	Mehsana	3890	3900	3975	4675
	Kadi	3855	3915	4000	4800
	Sabarkatha	3775	3915	4025	4600
	Gandhi Nagar	3925	3925	4000	4725
	Ahmedabad (Sanand)	3855	NR	3970	4505
	Halvad	3800	3750	3950	4500
	Junagadh	3770	3800	3975	4335
	Dhrol	3685	3550	3635	4165
Rajasthan	Jodhpur	4000	3980	4100	4630
	Sumerpur	3860	3875	3950	4575

Castor Seed Cumulative Arrivals in Key Centers:				
Center	Market	14th to 20th April 2018	07th to 13rd April 2018	Change
Gujarat	Patan	64125	64125	Unch
	Harij	12000	18000	-6000
	Rajkot	10115	13200	-3085
	Gondal	1838	146	1692
	Deesa	11084	19003	-7919
	Bhabar	32000	29600	2400
	Mehsana	11250	13350	-2100

	Kadi	28747	42440	-13693
	Sabarkatha	8000	9600	-1600
	Gandhi Nagar	7125	6000	1125
	Ahmedabad (Sanand)	172	136	36
	Halvad	14700	9375	5325
	Junagadh	820	1490	-670
	Dhrol	481	571	-90
Rajasthan	Jodhpur	593	330	263
	Sumerpur	5760	9040	-3280
Total Arrivals/Above Markets		208810	236406	-27597

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