



# 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

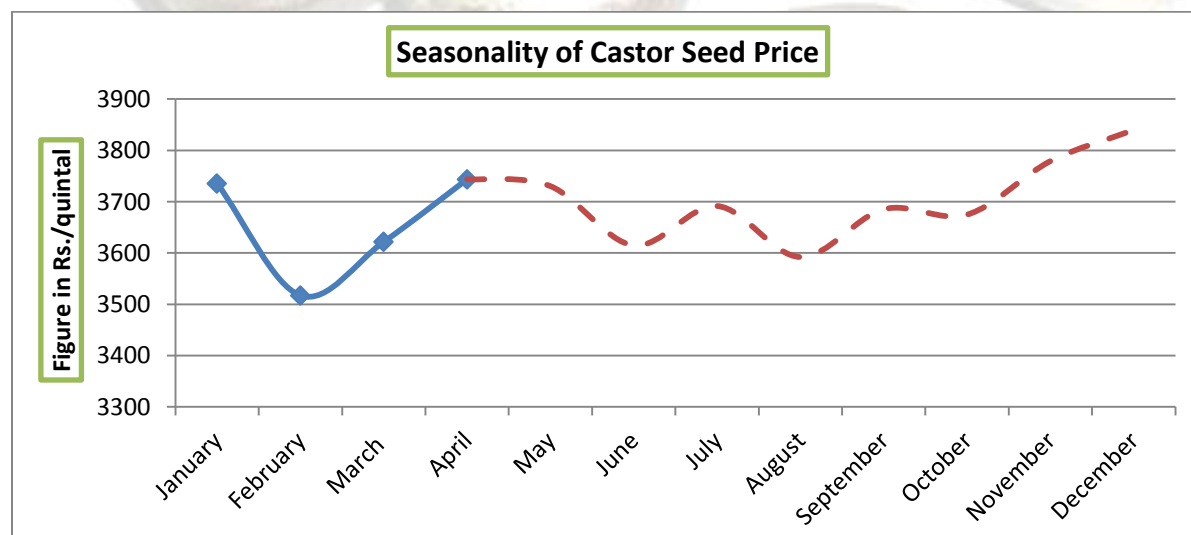
### Castor Domestic Market Fundamentals:

- 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.
- 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

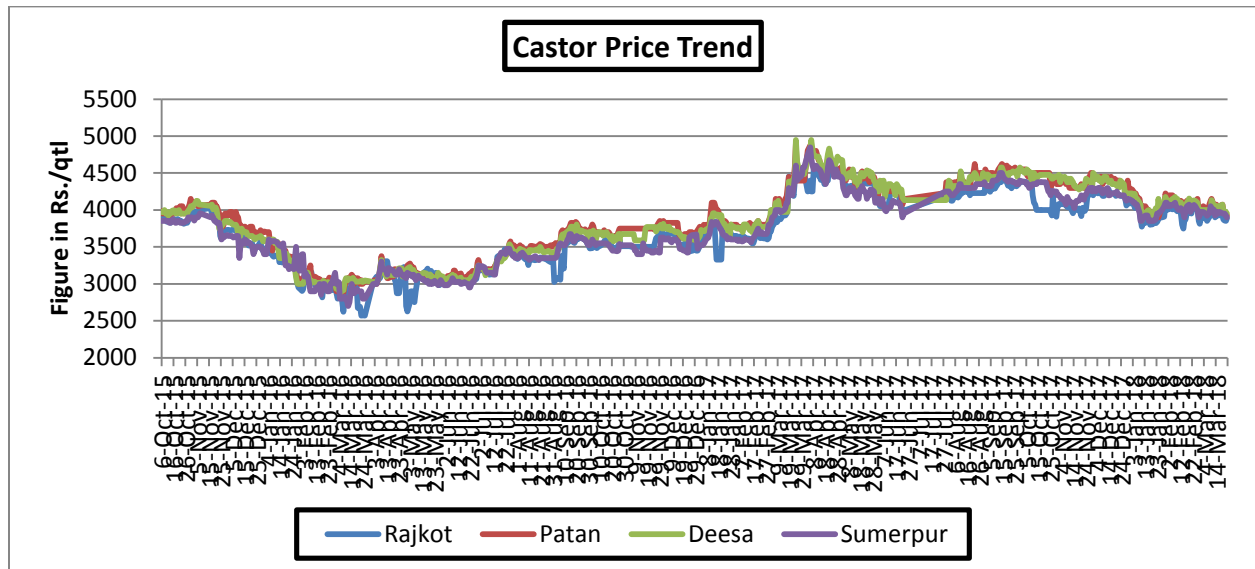
**Castor Seed Sowing Updates as on 13<sup>th</sup> October September-2017 (in Lakh Hectare):**

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.

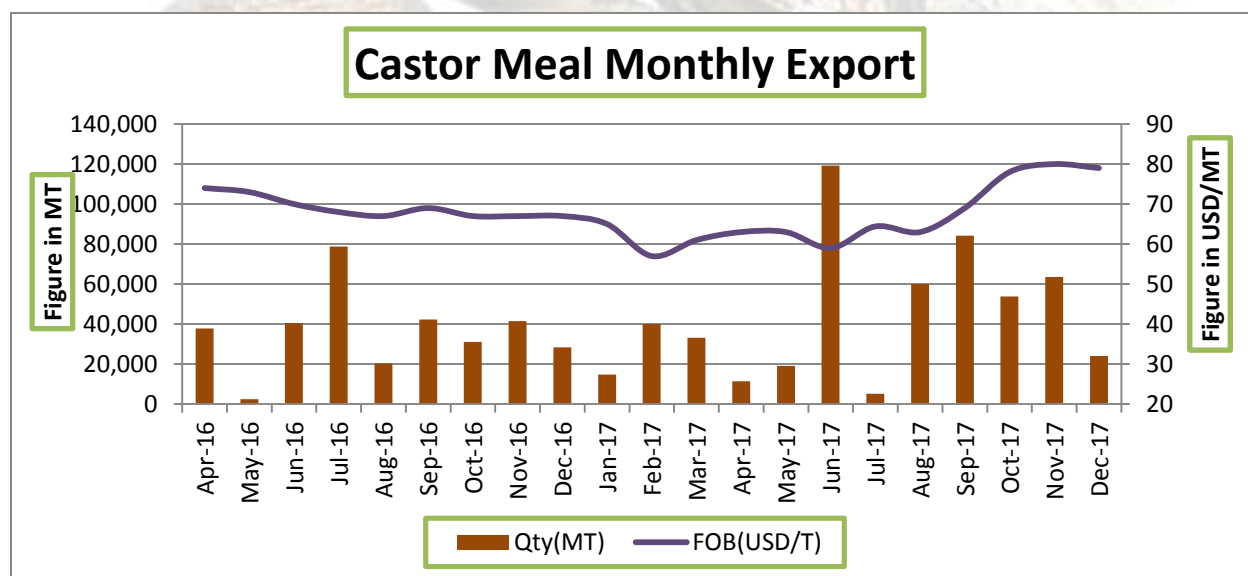
**Seasonality of Castor Seed Price**


### 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 April, 2018

State	Prices 24-30 Apr 2018	Prices 16-23 Apr 2018	Prices 24-30 Apr 2017	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh			3946.55	—	—
Gujarat	3843.36	3843.36	4560.69	0	-15.73
Karnataka	3600	3600	3679.95	0	-2.17

Maharashtra	3075	3453.75	3689.41	-10.97	-16.65
Rajasthan	3691.35	3691.35	4358.54	0	-15.31
Tamil Nadu		3600	3600	---	---
Telangana	3772.92	3784.24	4008.14	-0.3	-5.87
Uttar Pradesh	3414.29	3414.29	3414.29	0	0
Average	3566.15	3626.71	3907.2		

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	CHANGE %
Castor seed (Gujarat)((Rs./M.T) Ex-Mandi	40900	41000	41250	47876	<b>-17.06</b>
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	63	66	72	63	<b>Unch</b>
EXPORT (FOR) Ports (Rs./MT) Castor meal bulk Kandla	4100	4200	4550	4071	<b>0.71</b>
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1310	1325	1355	1587	<b>-21.15</b>
Local rates for oil in domestic market (Rs./M.T.) for comm.	86500	86500	87500	103292	<b>-19.41</b>

## 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	3750	3800	4001	4250	4300
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	May	Buy	3950	4000	4080	3935

## 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.

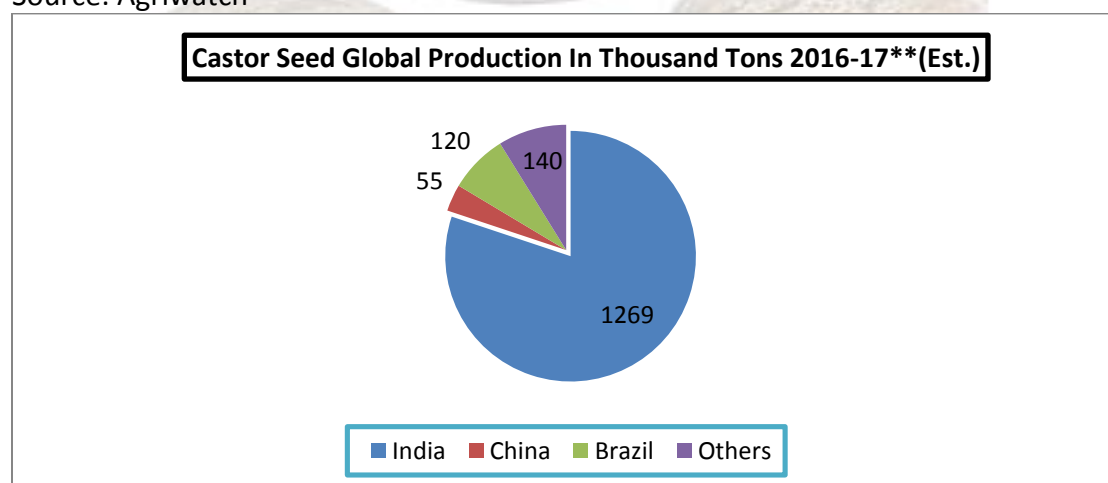


**Castor Seed Supply & Demand for MY-2017-18:**

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:**

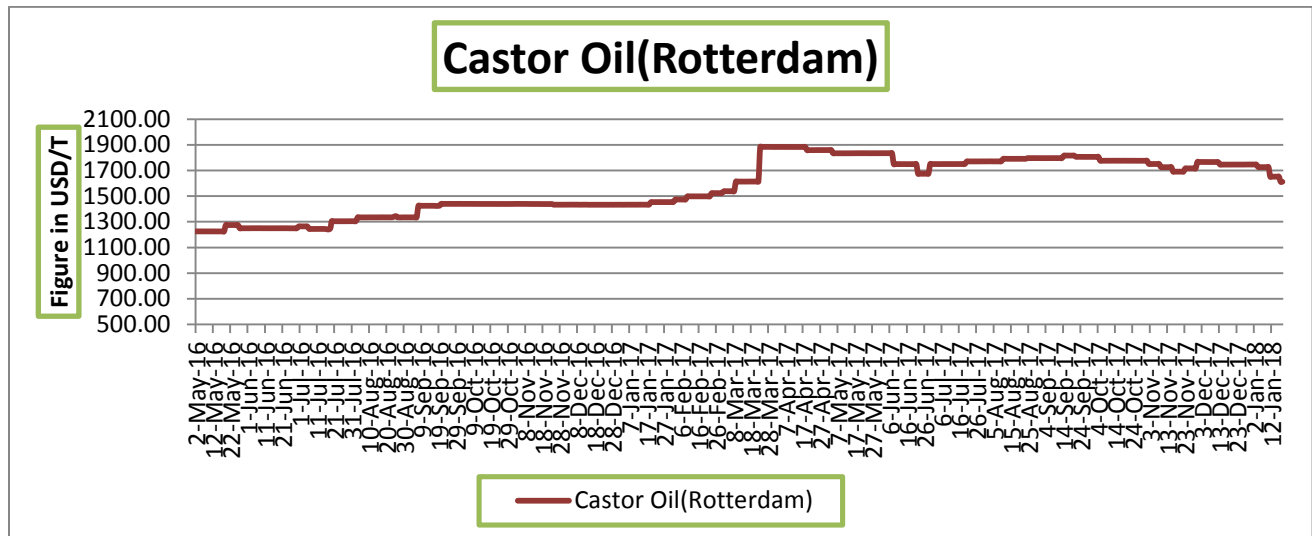
Source: Agriwatch


**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		21th to 27th April 2018	14th to 20th April 2018	
Gujarat	Patan	3871	3862	9
	Harij	3883	3858	25
	Rajkot	3758	3789	-32
	Gondal	4305	3853	452
	Deesa	3921	3903	18
	Bhabar	3860	3922	-62
	Mehsana	3888	3838	50
	Kadi	3897	3885	12
	Sabarkatha	3925	3850	75
	Gandhi Nagar	3908	3888	21
	Ahmedabad (Sanand)	3836	3828	8
	Halvad	3833	3820	13
	Junagadh	3814	3891	-77
	Dhrol	3664	3593	71
Rajasthan	Jodhpur	3960	3972	-12
	Sumerpur	3823	3847	-23

Week on Week Price: Scenario of Castor Seed :					
Commodity		Today	Week ago	Month ago	Year ago
Center	Market	27-Apr-18	20-Apr-18	27-Mar-18	27-Apr-17
Gujarat	Patan	3850	3900	3925	4550
	Harij	3890	NR	3925	4650
	Rajkot	3740	3850	NA	4525
	Gondal	NR	NA	NA	4630
	Deesa	3920	3920	3945	4650
	Bhabar	3825	3850	3910	NA
	Mehsana	3900	3890	3925	4625
	Kadi	3885	3855	3955	4825
	Sabarkatha	3925	3775	3925	4675
	Gandhi Nagar	3925	3925	3950	4700
	Ahmedabad (Sanand)	3825	3855	3850	NA
	Halvad	3875	3800	3875	4495
	Junagadh	3830	3770	3760	4525
	Dhrol	NA	3685	NA	4450
Rajasthan	Jodhpur	NR	4000	NA	4620
	Sumerpur	3800	3860	3875	4550

Castor Seed Cumulative Arrivals in Key Centers:				
Center	Market	21th to 27th April 2018	14th to 20th April 2018	Change
Gujarat	Patan	82125	64125	18000
	Harij	10500	12000	-1500
	Rajkot	6962	10115	-3153
	Gondal	965	1838	-873
	Deesa	9951	11084	-1133



	Bhabar	38320	32000	6320
	Mehsana	12375	11250	1125
	Kadi	35160	28747	6413
	Sabarkatha	6000	8000	-2000
	Gandhi Nagar	7800	7125	675
	Ahmedabad (Sanand)	272	172	100
	Halvad	13125	14700	-1575
	Junagadh	985	820	165
	Dhrol	472	481	-9
Rajasthan	Jodhpur	473	593	-120
	Sumerpur	8800	5760	3040
Total Arrivals/Above Markets		234285	208810	25475



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