



# 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:**

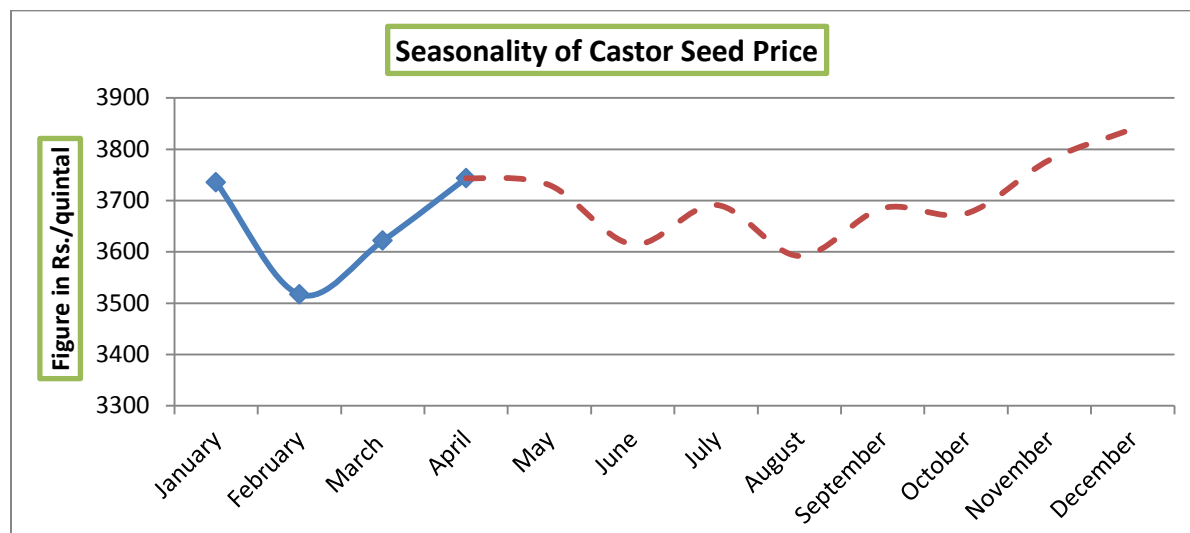
- Even with lower arrival in major castor spot markets, weekly price of castor seed remain weak in first week of May-2018.
- Castor seed prices drifted lower by Rs 18 to Rs 4,031 per quintal in futures trade recently as participants offloaded their bets, tracking a weak trend at the spot markets. It is expected that, low demand from soap and other consuming industries in the spot markets mainly put pressure on castor seed futures prices.
- 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 first week of May even with lower arrival, all India arrival of castor seed reported were 180622 quintals which was lower by 53663 quintals than last week arrivals of 234285 quintals.
- 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.

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

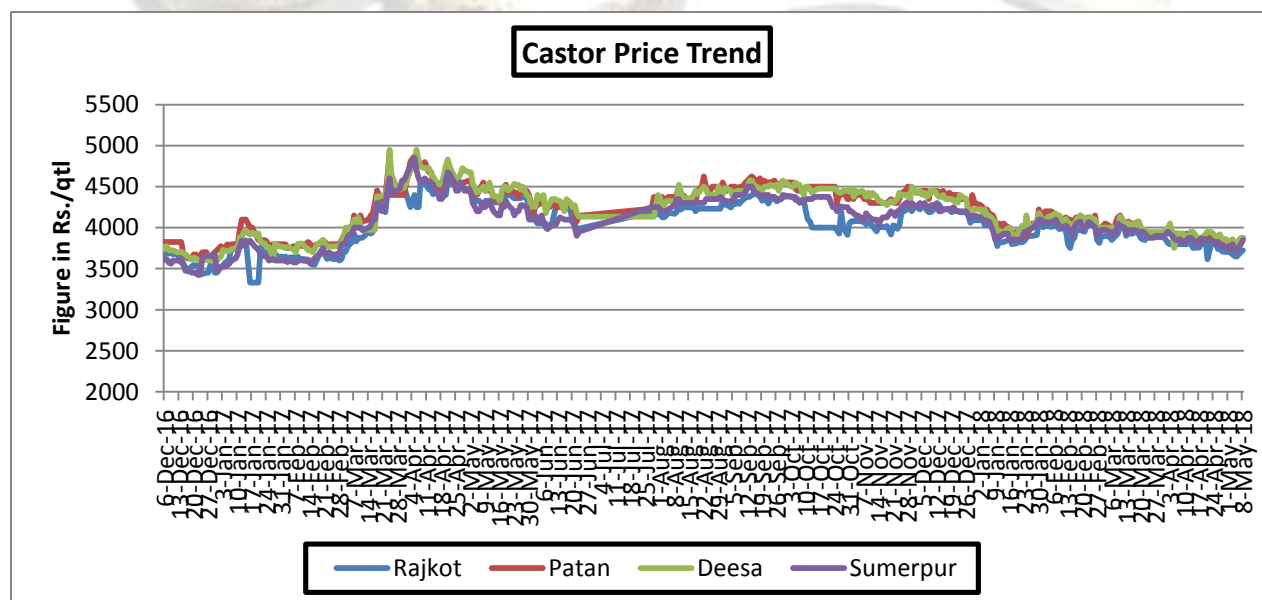
State	Area(2017)	Last Year(2016)	% Change	Normal Area
Gujarat	5.96	5.64	5.67	7.37
Rajasthan	1.6	1.72	-6.98	2.25
Telangana	0.31	0.43	-27.91	0.82
Andhra Pradesh	0.33	0.43	-23.26	0.89
Karnataka	0.07	0.11	-36.36	0.12
Maharashtra	0.07	0.12	-41.67	0.16
Others	0.38	0.33	15.15	0.23
<b>Total</b>	<b>8.45</b>	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



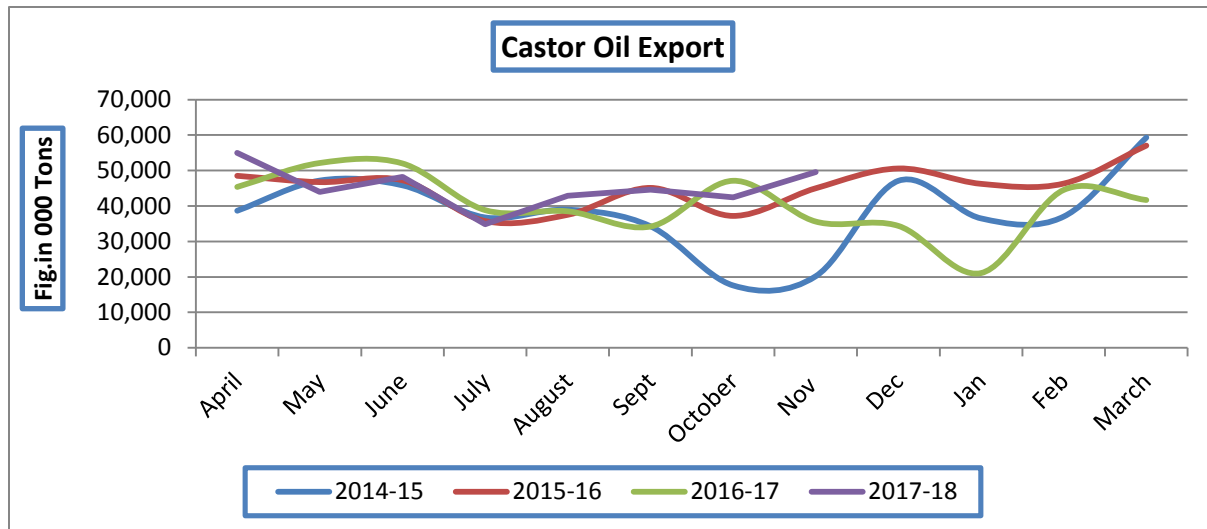
## Castor Price Trend:



Source: Agriwatch

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

### Castor Oil Export Trend:

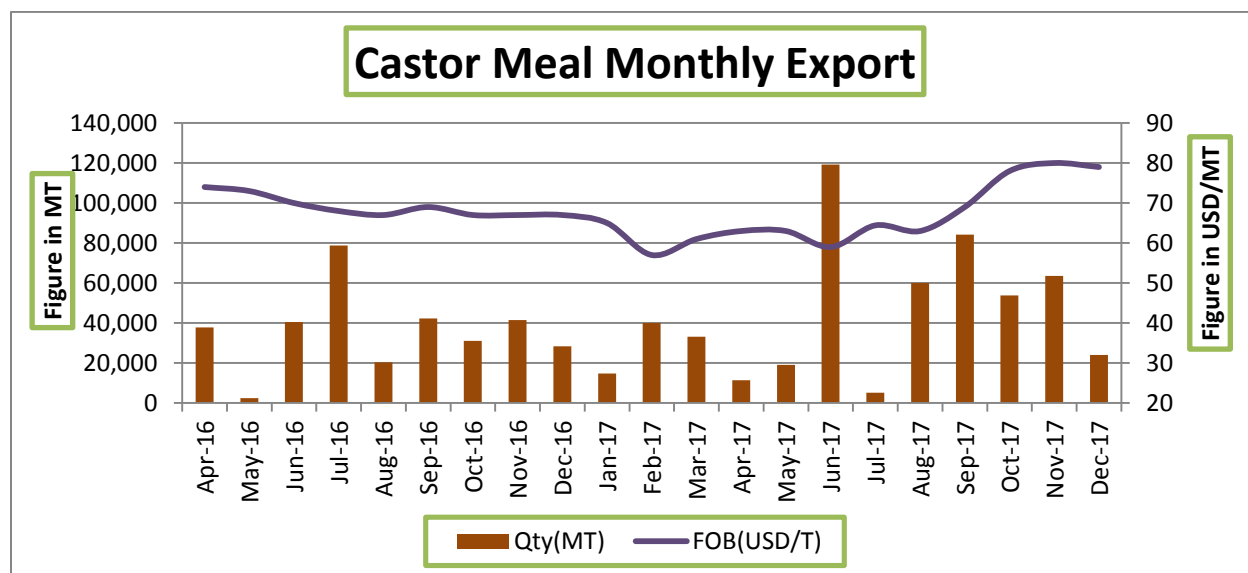


Source: Sea Of India

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 01<sup>st</sup> week May, 2018

State	Prices 01-08 May 2018	Prices 24-30 Apr 2018	Prices 16-23 Apr 2018	Prices 01-08 May 2017	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh				3938.62	—	—	—
Gujarat	3776.54	3841.61	3841.61	4466.91	-1.69	-1.69	-15.46
Karnataka	4053.75	4053.75	4053.75	4053.75	0	0	0
Maharashtra	3068.18	3075	3453.75	3593.03	-0.22	-11.16	-14.61
Rajasthan		3691.35	3691.35	4221.43	—	—	—
Tamil Nadu			3600	3600	—	—	—
Telangana	3708.67	3772.92	3784.24	3998.76	-1.7	-2	-7.25
Uttar Pradesh		3414.29	3414.29	3414.29	—	—	—
Average	3651.78	3641.49	3691.28	3910.85			

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)	3800-3850	3850-3950
Medium Term (30 days)	3950-4100	3950-4200

**Source: SEA.**

<b>Comparative Prices Of Castor Products Including Seed</b>					
	<b>13th April'18</b>	<b>6th April'18</b>	<b>13th March'18</b>	<b>13th April'17</b>	<b>CHANG E %</b>
Castorseed (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 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	4032	4250	4300
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	May	Buy	3920	3950	3988	3900

**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.

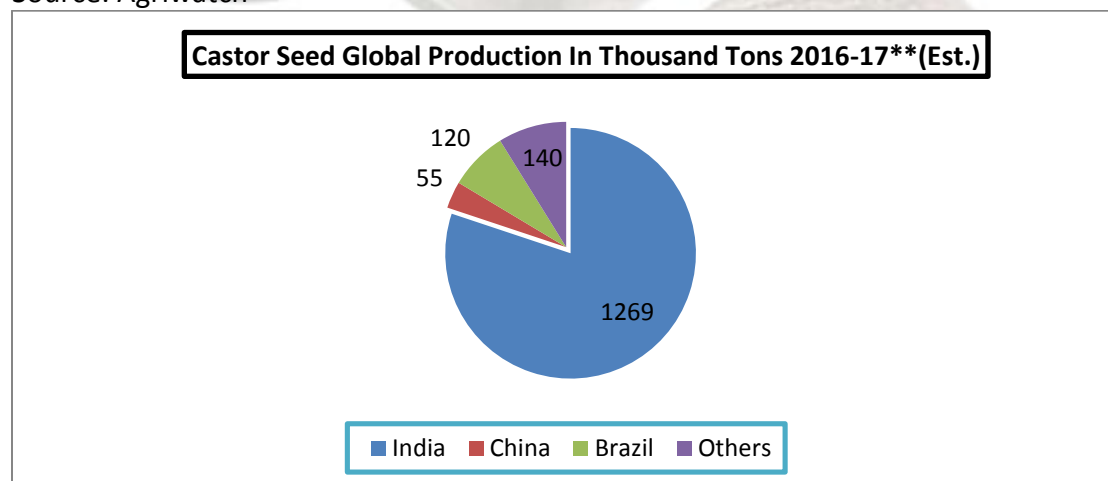
The season started with 5.91 lakh tons as carryout. Thus total availability for current marketing year comes to 18.6 lakh tons if estimated production of 12.69 lakh tons is included. Lower production would drag carryout down from 5.91 to 5.35 lakh tons. It would push seed price up in second and third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

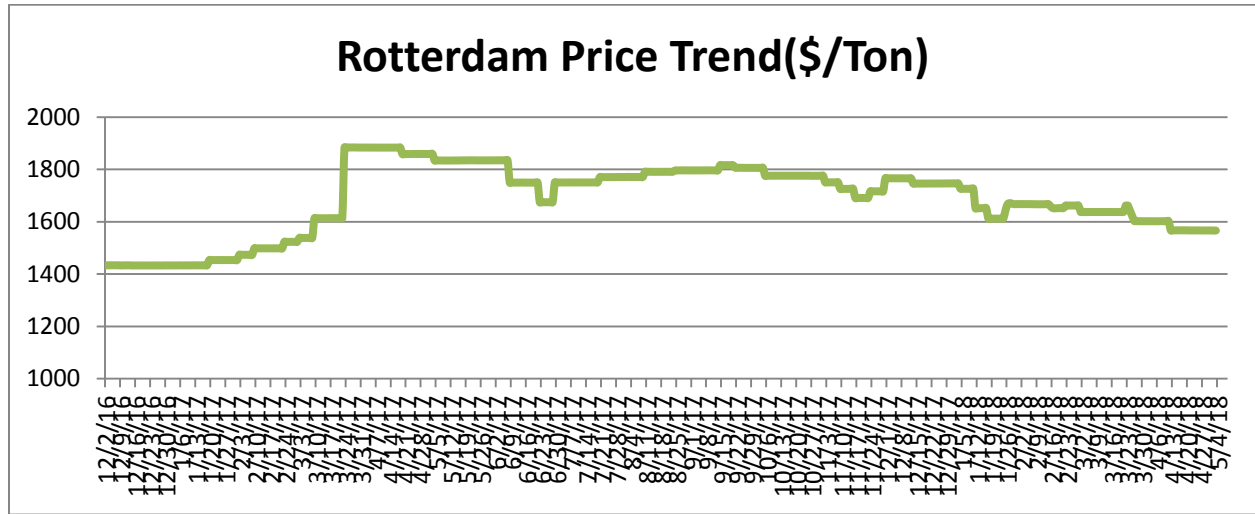


### International market update:

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
		28th April to 04th May 2018	21th to 27th April 2018	
Gujarat	Patan	3801	3871	-70
	Harij	3813	3883	-70
	Rajkot	3691	3758	-67
	Gondal	3963	4305	-342
	Deesa	3832	3921	-89
	Bhabar	3786	3860	-74
	Mehsana	3812	3888	-76
	Kadi	3823	3897	-74
	Sabarkatha	3850	3925	-75
	Gandhi Nagar	3850	3908	-58
	Ahmedabad (Sanand)	3741	3836	-95
	Halvad	3775	3833	-58
	Junagadh	3703	3814	-112
	Dhrol	3489	3664	-175
Rajasthan	Jodhpur	3900	3960	-60
	Sumerpur	3767	3823	-57

Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		4-May-18	27-Apr-18	4-Apr-18	4-May-17
Gujarat	Patan	3750	3850	3950	4450
	Harij	3750	3890	3950	4500
	Rajkot	3655	3740	3825	4325
	Gondal	4255	NR	NR	4305
	Deesa	3830	3920	3940	4485
	Bhabar	3760	3825	3910	NA
	Mehsana	3765	3900	3925	4450
	Kadi	3800	3885	4050	4515
	Sabarkatha	3825	3925	3975	4450
	Gandhi Nagar	3800	3925	3950	4500
	Ahmedabad (Sanand)	3700	3825	3850	4350
	Halvad	Closed	3875	3950	4450
	Junagadh	3660	3830	3810	4190
	Dhrol	3450	NA	NA	4095
Rajasthan	Jodhpur	NA	3950	3950	4500
	Sumerpur	3725	3800	3900	4250

Castor Seed Cumulative Arrivals in Key Centers:				
Center	Market	28th April to 04th May 2018	21th to 27th April 2018	Change
Gujarat	Patan	69750	82125	-12375
	Harij	13125	10500	2625
	Rajkot	3985	6962	-2977
	Gondal	2547	965	1582
	Deesa	6424	9951	-3527
	Bhabar	30880	38320	-7440
	Mehsana	9375	12375	-3000
	Kadi	25536	35160	-9624
	Sabarkatha	3760	6000	-2240
	Gandhi Nagar	6450	7800	-1350
	Ahmedabad (Sanand)	164	272	-108
	Halvad	300	13125	-12825

	Junagadh	405	985	<b>-580</b>
	Dhrol	168	472	<b>-304</b>
<b>Rajasthan</b>	Jodhpur	113	473	<b>-360</b>
	Sumerpur	7640	8800	<b>-1160</b>
<b>Total Arrivals/Above Markets</b>		<b>180622</b>	<b>234285</b>	<b>-53663</b>

### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2018 Indian Agribusiness Systems Pvt. Ltd.