



# Castor Weekly Research Report

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**Castor Domestic Market Fundamentals:**

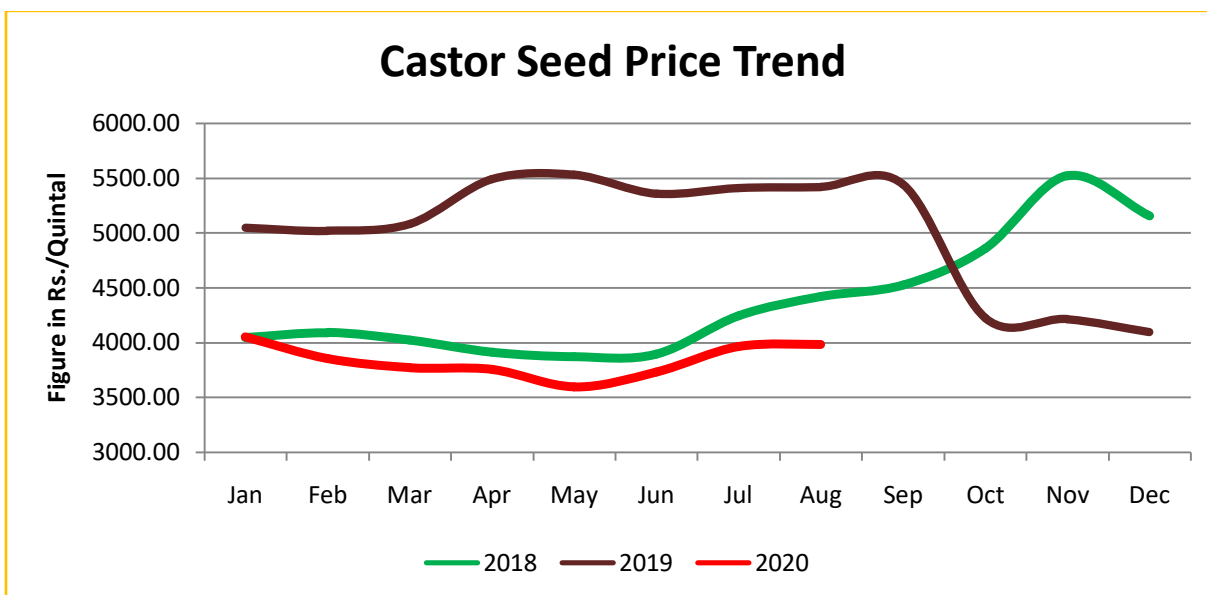
- Weekly castor price traded with mixed tone even with higher arrival.
- With higher stock of castor seed with farmers in Gujarat, prices would like to trade in the range bound in near term.
- As per trade sources, in the on-going season, around 12 lakh tons of castor seed is available against 8.5 lakh tons of total requirement.
- Castor oil exports from January to July were increased and around 3.67 lakh tons were exported in this period, which was 3.3 lakh tons during corresponding period last year.
- Meanwhile, in the remaining months, export of castor oil is likely to fall down due to logistic problem and demand destruction.
- Current sowing of Castor seed in Gujarat was reported around 3.8 lakh hectares, which was 3.4 lakh hectares last year. In Rajasthan, sowing reported was around 1.9 lakh ha, same as last year.
- Last year sowing in A.P and Telangana was reported 1 lakh ha. But now it is reported tat area would like to decline by 15-20%.
- Overall sowing in Gujarat is also like to fall by 10%.

**Castor Sowing Outlook in 2020-21**

Castor sowing is at disadvantage due to all the Following reasons.

- IMD & other forecasted the monsoon during 2020 as timely & good.
- Monsoon already commenced in Gujarat on 14<sup>th</sup> June, 2020.
- Pre-Monsoon rains helped early sowing.
- Water levels are high.
- Lower realization of prices by Castor farmers at the time of sowing.
- Good prices of competing crops
- Higher MSP declared by Govt for food crops.

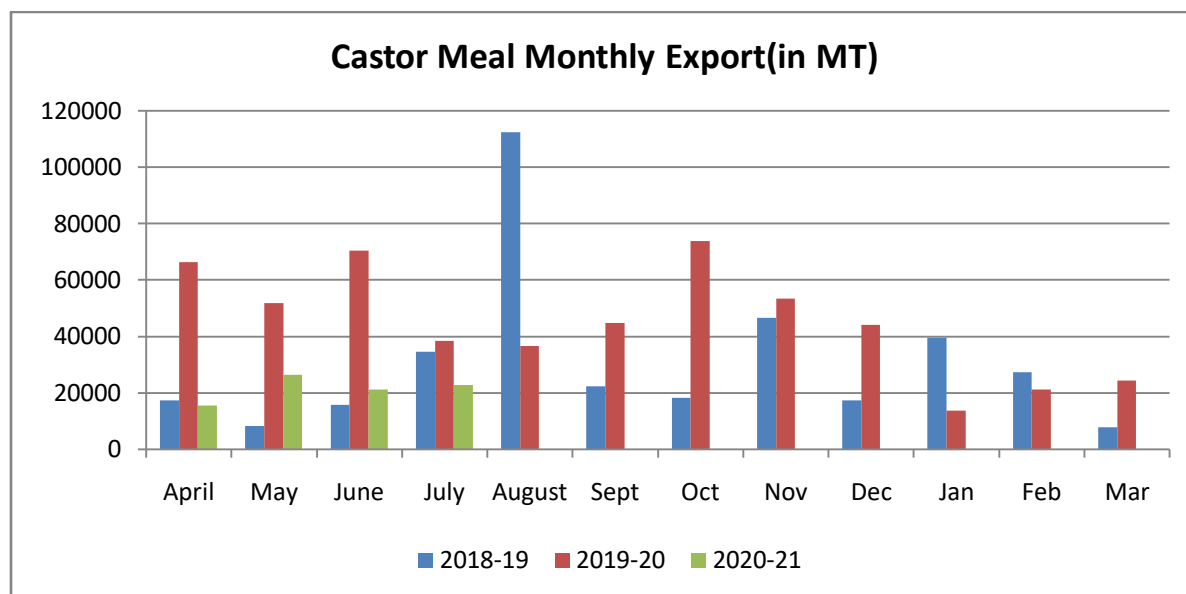
**Castor Price Trend Deesa Mandi:**



Source: Agriwatch

Above price chart is of Deesa Mandi in Gujarat, which is a major mandi for castor seed. Castor seed price traded weak in the starting of this year due to higher seed availability and impact of corona virus also push the prices downwards.

**Castor Meal Monthly Export:**



Source: Sea of India

**State wise Wholesale Prices Weekly Analysis for Castor Seed Second week Aug, 2020**

State	Prices 09-15 Aug 2020	Prices 01-08 Aug 2020	Prices 09-15 Aug 2019	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh		3698.66	5025.84	---	---
Maharashtra				---	---
Gujarat	3902.81	3927.08	5437.46	-0.62	-28.22
Karnataka	3529	2937.81	5300	20.12	-33.42
Rajasthan	3842.75	3803.55	5057.92	1.03	-24.03
Telangana			4827.79	---	---
Madhya Pradesh			4576.92	---	---
Average	3758.19	3591.77	5037.66		

\*Report Generation: As per the data reported by APMCs

Prices in Rs/Quintal

Source: Agmarket.net (Prices in Rs./Qtl)

**Cash Market Price Outlook for Spot Price**

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	3500-3700	3500-3800
Medium Term (30 days)	4000-4300	3900-4600

**Technical Analysis:**
**Castor – Technical Outlook**
**Technical Commentary:**

- Prices are likely to move steady to firmer coming week.
- Increase in prices with higher volume and OI indicates long build up.
- RSI is moving in neutral region.


**Strategy: Buy**

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	Sept	3200	3300	4018	4250	4400
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Sept	Buy	3980	4000	4100	3960

**Castor Seed Supply & Demand for MY-2019-20:**



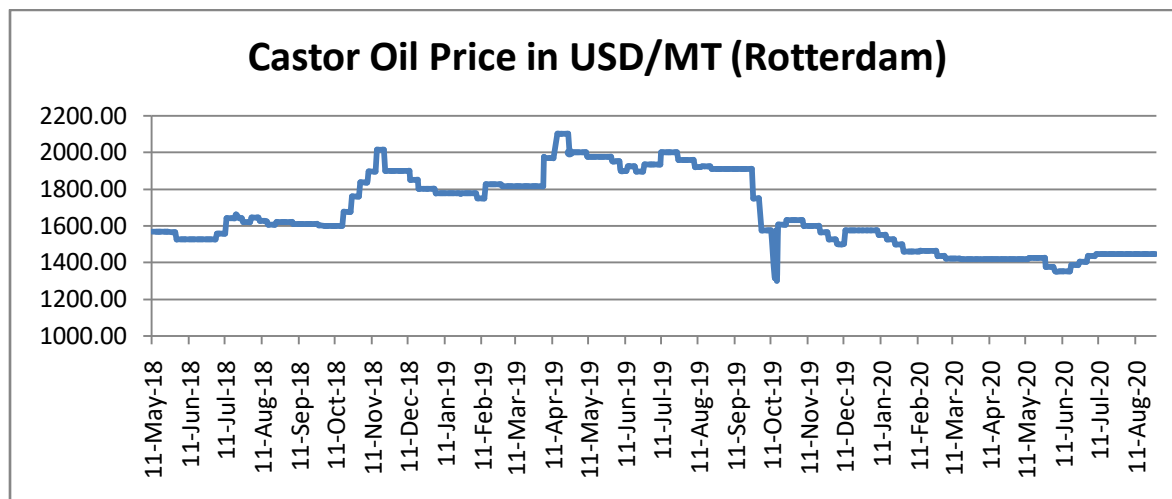
<b>All units in lakh tonnes</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20*</b>
Carry in	4.29	5.04	2.30
<b>Production</b>	<b>14.00</b>	<b>11.25</b>	<b>19.6</b>
Imports	0.00	0.00	0
Total Availability	18.29	16.29	21.90
Consumption (crushing)	13.25	14.00	14.5
Exports	0.00	0.00	0
Total Usage	13.25	14.00	14.50
<b>Carry out</b>	<b>5.04</b>	<b>2.30</b>	<b>7.40</b>
Av Monthly Consumption	1.10	1.13	1.15

**Supply and Demand:** MY 2019-20 started with lower carryout of 2.30 lakh tons. As production was higher in on-going MY (Marketing Year), availability increased from 16.29 to 21.90 lakh tons. Higher availability in domestic market, lock-down situation started impacting prices. Lower realisation in current season and normal monsoon this year will influence farmer to opt for other crops like Cotton and Groundnut.

**Export demand:** Despite higher export in May-2020 at 54257MT against 44615 MT in May 2019, export prospect seems bleak due to various issues from producing to importing countries. Major importing countries like China, EU and US are struggling with their own problems such as border tension, spread of COVID-19 and its impact and weakening buying power of retail customer would continue to impact demand for export in the near to medium term. But, low prices may attract stocking interest at consuming countries.

**Domestic Demand:** Right now domestic demand remains depressed due to disturbed course of trading activities due to COVID-19 impact. Brokers and sellers are avoiding visiting markets as threats are looming large. However, it should improve in coming month as paints and pharmaceutical industries may back on production track soon.

**Rotterdam Price:**



Source: Agriwatch

<b>Comparative Prices Of Castor Products Including Seed</b>					
	<b>15thMa y'20</b>	<b>8th May'20</b>	<b>15thAp r'20</b>	<b>15thMa y'19</b>	<b>CHAN GE %</b>
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	36000	36750	40000	56637	<b>-57.33</b>
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	55.00	55.00	NQ	101.00	<b>-83.64</b>
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	4000	4000	NQ	6771	<b>-69.28</b>
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	NQ	NQ	NQ	1696	-
Local rates for oil in domestic market(Rs./M.T.) for comm.	82500	86000	94000	118415	<b>-43.53</b>

Source: SEA.

**Castor Seed Weekly Prices at Key Spot Markets:**

<b>Commodity</b>	<b>Market</b>	<b>Price (Rs/ Quintal)</b>		<b>Change</b>
		<b>31 Aug to 05 Sept 2020</b>	<b>23 Aug to 29 Aug 2020</b>	
<b>Gujarat</b>	Patan	3943	3981	<b>-38</b>
	Harij	3945	3913	<b>33</b>
	Rajkot	3809	3834	<b>-25</b>
	Gondal	3876	3880	<b>-4</b>
	Deesa	4035	4010	<b>25</b>
	Bhabar	4046	3950	<b>96</b>
	Mehsana	3934	3953	<b>-19</b>
	Kadi	3986	3986	<b>0</b>
	Sabarkatha	3950	3971	<b>-21</b>

	Gandhi Nagar	3950	3967	<b>-17</b>
	Ahmedabad (Sanand)	0	0	<b>Unch</b>
	Halvad	3883	3895	<b>-12</b>
	Junagadh	3156	3770	<b>-614</b>
	Dhrol	1805	3585	<b>-1780</b>
<b>Rajasthan</b>	Jodhpur	3760	3650	<b>110</b>
	Sumerpur	3846	3863	<b>-17</b>

<b>Castor Seed Cumulative Arrivals in Key Centers:</b>				
<b>Center</b>	<b>Market</b>	<b>31 Aug to 05 Sept 2020</b>	<b>23 Aug to 29 Aug 2020</b>	<b>Change</b>
<b>Gujarat</b>	Patan	8625	7399	<b>1226</b>
	Harij	6675	4125	<b>2550</b>
	Rajkot	3165	3375	<b>-210</b>
	Gondal	3750	2600	<b>1150</b>
	Deesa	1350	1990	<b>-640</b>
	Bhabar	2240	3440	<b>-1200</b>
	Mehsana	3113	4050	<b>-938</b>
	Kadi	14768	12520	<b>2248</b>
	Sabarkatha	1920	1280	<b>640</b>
	Gandhi Nagar	2588	4763	<b>-2175</b>
	Ahmedabad (Sanand)	0	0	<b>Unch</b>
	Halvad	3900	4875	<b>-975</b>
	Junagadh	145	60	<b>85</b>
	Dhrol	2	1	<b>1</b>
<b>Rajasthan</b>	Jodhpur	0	0	<b>Unch</b>
	Sumerpur	1680	320	<b>1360</b>
<b>Total Arrivals/Above Markets</b>		<b>53920</b>	<b>50797</b>	<b>3123</b>

<b>Week on Week Price: Scenario of Castor Seed :</b>					
<b>Commodity</b>	<b>Market</b>	<b>Today</b>	<b>Week ago</b>	<b>Month ago</b>	<b>Year ago</b>
<b>Center</b>		<b>7-Sep-20</b>	<b>31-Aug-20</b>	<b>7-Aug-20</b>	<b>8-Sep-19</b>
<b>Gujarat</b>	Patan	3950	3925	3985	#N/A
	Harij	3925	3900	3975	#N/A
	Rajkot	3755	3800	NR	#N/A
	Gondal	3850	3880	3930	#N/A
	Deesa	4000	4075	3970	#N/A
	Bhabar	4000	3950	3925	#N/A



	Mehsana	3900	3925	3960	#N/A
	Kadi	3900	3985	4025	#N/A
	Sabarkatha	3925	3975	4000	#N/A
	Gandhi Nagar	3925	3975	4000	#N/A
	Ahmedabad (Sanand)	NA	0	0	#N/A
	Halvad	3900	3875	3850	#N/A
	Junagadh	3750	0	0	#N/A
	Dhrol	NA	0	0	#N/A
<b>Rajasthan</b>	Jodhpur	3850	3600	3875	#N/A
	Sumerpur	3825	3850	3875	#N/A

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