



# Castor Weekly Research Report

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**Castor Domestic Market Fundamentals:**

- **Price:** All India average price of castor seed traded firm in last week of September as buyers are active in the market. Castor seed price was around Rs.3844/quintal against last week price of Rs.3696/Quintal.
- **Outlook:** This year, stockiest don't have stock in their hand; Processors and millers are working from hand to mouth. Most of the estimated stocks of 9-10 lakh tonnes in the market is with the farmers. Thus, farmers would play the price driver in this season. We expect that Castor seed price will gradually increase in coming weeks.
- **Arrival:** All India Castor seed arrival is increasing slowly with demand coming from lubricant and Paint industries which generally picks up before Diwali. Seed arrival reported in last week of September was 82011 quintal against last week's arrival of 79330 quintal.
- **Sowing:** According to the last sowing report as on 18<sup>th</sup> September 2020, all India Castor acreage is reported at 7.74 lakh hectares which is 14.92% lower than last year acreage of 9.10 lakh hectares in the same time period. Castor acreage in Gujarat this year is 5.80 lakh hectares against 6.79 lakh hectares, last year. Meanwhile acreage under castor seed is also reported down in other major producing states like Rajasthan, A.P. & Telangana.
- According to Government 1<sup>st</sup> advance estimate, castor production in 2020-21 is estimated at 17.24 lakh tonnes. Last year total production of seed was reported 18.49 lakh tonnes which was a record in decade.
- **Export:** India's castor oil exports gained by 35% from 48,589 tonnes to 65,682 tons in July, 2020, according to data by The Solvent Extractors' Association of India. For Apr-July-2020, exports of the castor oil were at 195,478 tonnes, compared with 198,440 during the year-ago period.
- As per the Solvent Extractors' Association of India (SEA), castor meal exports in the month of Aug'20 is reported at 32,825 tonnes which is 25% higher than the exports of July'20 of 22,786 tonnes. On a cumulative basis, exports were 118,432 tonnes from Apr to Aug 2020 which is lower than last year exports of 263,520 tonnes during the same period.

### **Castor Sowing Outlookin 2020-21**

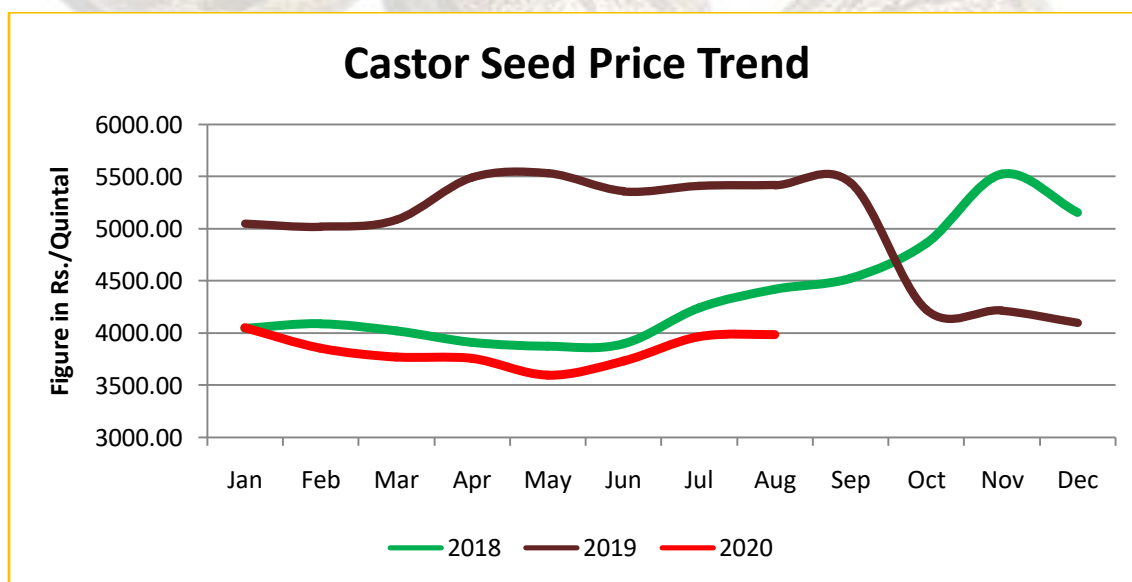
Castor sowing is at disadvantage due to all of the following reasons.

- IMD & other forecasted the monsoon during 2020 as timely & good.
- Monsoon already commenced in Gujarat on 14<sup>th</sup> June, 2020.
- Farmers generally sow Castor when rainfall is lower than average
- Pre-Monsoon rains helped early sowing for other crops.
- Water levels are high which is not suitable for castor crop.
- Lower realization of prices by Castor farmers at the time of sowing.
- Good prices of competing crops.
- Higher MSP declared by Govt for other cash and food crops.

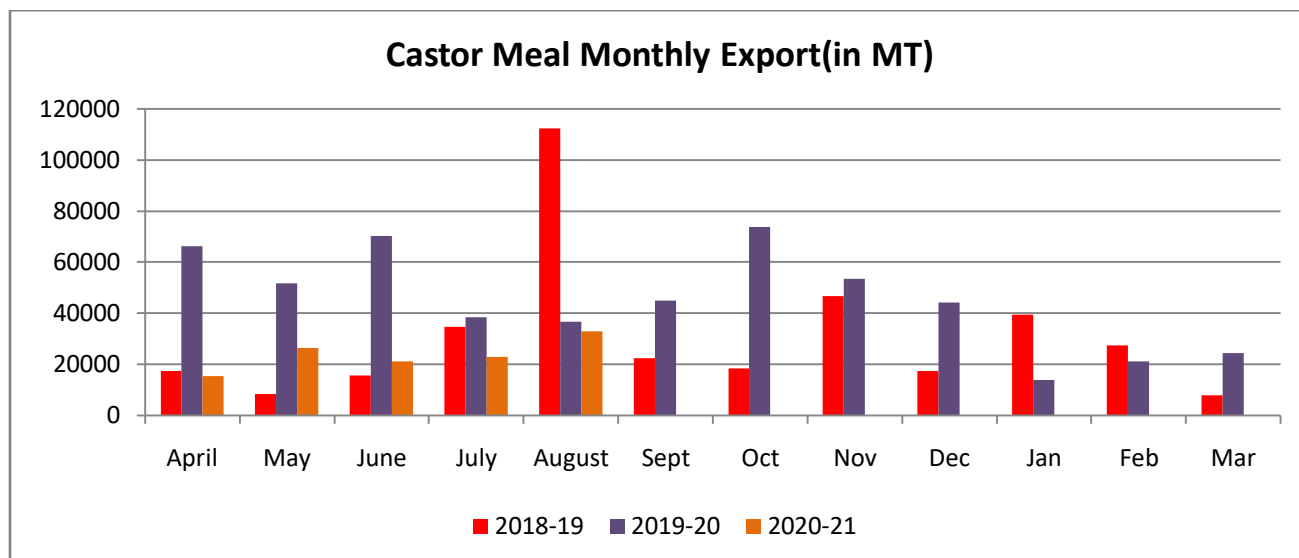
### **Sowing Updates:**

State	Normal Area	Area sown reported			Absolute Change
		This Year	% of Normal	Last Year	
Andhra Pradesh	0.40	0.18	44.89	0.33	-0.15
Gujarat	6.15	5.80	94.24	6.79	-0.99
Rajasthan	1.69	1.40	82.77	1.54	-0.15
Telangana	0.38	0.14	35.78	0.23	-0.09
<b>All-India</b>	<b>9.07</b>	<b>7.74</b>	<b>85.4</b>	<b>9.10</b>	<b>-1.36</b>

### **Castor Price TrendDeesaMandi:**



Source: Agriwatch

**Castor Meal Monthly Export:**


Source: Sea of India

**Meal Export Summary:**

The Solvent Extractors' Association of India has compiled the export data for export of oil meals for the month of August 2020 and provisionally reported at 171,515 tons compared to 228,484 tons in August, 2019 i.e. down by 25%. The overall export of oil meals during April to August 2020 is provisionally reported at 1,013,177 tons compared to 1,146,295 tons during the same period of previous year i.e. down by 12%. The Solvent Extractors' Association of India has compiled the export data for export of oil meals for the month of August 2020 and provisionally reported at 171,515 tons compared to 228,484 tons in August, 2019 i.e. down by 25%. The overall export of oil meals during April to August 2020 is provisionally reported at 1,013,177 tons compared to 1,146,295 tons during the same period of previous year i.e. down by 12%.

**State wise Wholesale Prices Weekly Analysis for Castor Seed Last Week of Sept, 2020**

State	Prices 24-30 Sep 2020	Prices 16-23 Sep 2020	Prices 24-30 Sep 2019	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh	3687.07	3737.68	4366.2	-1.35	-15.55
Gujarat	4042.95	4005.07	5258.54	0.95	-23.12
Telangana	3782.64	3372.79	4302.11	12.15	-12.07
Karnataka	3810.03	3553.72	5000	7.21	-23.8
Rajasthan	3895.56	3856.92	4976.32	1	-21.72
Madhya			3000	--	--

Pradesh					
Maharashtra		3650		---	---
Average	3843.65	3696.03	4483.86		

Prices in Rs/Quintal

### Cash Market Price Outlook for Spot Price

Expected Range	Rs/Qtl.(Low)	Rs /Qtl.(High)
Short term (15 days)	3800-3950	3900-4150
Medium Term (30 days)	4000-4300	4100-4600

### Technical Analysis:

#### Castor – Technical Outlook

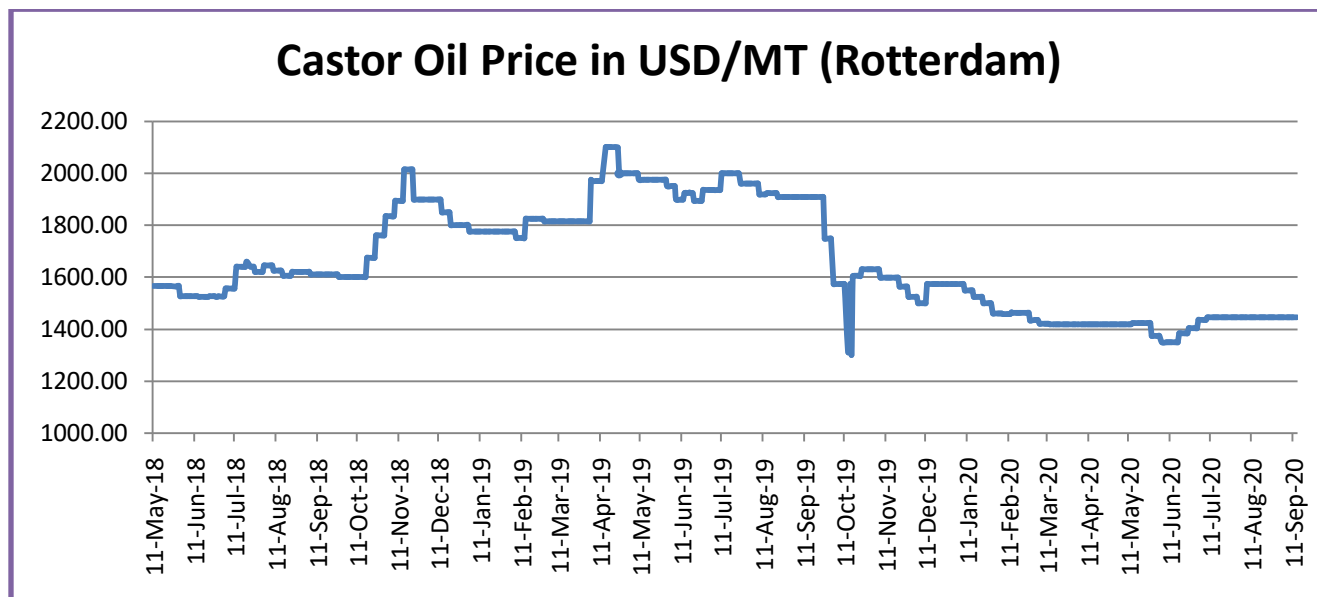
##### Technical Commentary:

- Major sentiments are more likely to be firm even as it trades below 4208 per 100 kg. Meanwhile, prices firmly retained the support of 3970 levels.
- This could be a good level for bargain buying targeting towards 4400-4500 and if breaks the resistance of 4400 aiming further higher to 4460-4590 levels.
- The weekly RSI is trading at 74 with over bought bias.
- On lower side, a fall below 3990 could intensify the correction further to 3970-3800 levels.



#### Strategy: Buy

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	Oct	3800	3950	4208	4450	4500
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Oct	Buy	4200	4235	4265	4180

**Rotterdam Price:**


<b>Comparative Prices Of Castor Products Including Seed</b>					
	<b>21stAu g'20</b>	<b>14thAu g'20</b>	<b>21stJul '20</b>	<b>21stAu g'19</b>	<b>CHANG E %</b>
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	40150	40350	40500	55712	<b>-38.76</b>
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	71.00	71.00	52.00	108.00	<b>-52.11</b>
EXPORT (FOR) Ports (Rs./MT)Castor meal bulk Kandla	4850	5150	3650	7459	<b>-53.79</b>
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1150	1150	1165	1621	<b>-40.96</b>
Local rates for oil in domestic market(Rs./M.T.) for comm.	85500	85500	86000	115570	<b>-35.17</b>

**Source: SEA.**

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

<b>Commodity Center</b>	<b>Market</b>	<b>Price (Rs/ Quintal)</b>		<b>Change</b>
		<b>28 Sept to 05 Oct 2020</b>	<b>20 Sept to 26 sept 2020</b>	
<b>Gujarat</b>	Patan	4150	4144	<b>6</b>
	Harij	4111	4088	<b>23</b>
	Rajkot	3984	3921	<b>63</b>



	Gondal	4038	3963	74
	Deesa	4120	4084	36
	Bhabar	4113	4067	46
	Mehsana	4130	4074	56
	Kadi	4168	4131	37
	Sabarkatha	4154	4129	25
	Gandhi Nagar	4129	4096	33
	Ahmedabad (Sanand)	0	0	Unch
	Halvad	4003	3996	8
	Junagadh	2335	3753	-1418
	Dhrol	946	2480	-1534
Rajasthan	Jodhpur	3900	3985	-85
	Sumerpur	3996	3960	36

Castor Seed Cumulative Arrivals in Key Centers:				
Center	Market	28 Sept to 05 Oct 2020	20 Sept to 26 sept 2020	Change
Gujarat	Patan	16589	13650	2939
	Harij	9075	5700	3375
	Rajkot	2330	3520	-1190
	Gondal	4550	3860	690
	Deesa	961	1511	-551
	Bhabar	1360	1760	-400
	Mehsana	5025	3488	1538
	Kadi	20720	26312	-5592
	Sabarkatha	2040	2560	-520
	Gandhi Nagar	4650	4500	150
	Ahmedabad (Sanand)	0	0	Unch
	Halvad	12150	10425	1725
	Junagadh	83	192	-109
	Dhrol	3	12	-9
Rajasthan	Jodhpur	75	0	75
	Sumerpur	2400	1840	560
Total Arrivals/Above Markets		82011	79330	2681



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