



# Castor Weekly Research Report

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**Castor Domestic Market Fundamentals:**

- Even with higher arrival, castor seed market traded firm in the first week of January due to anticipation of higher demand.
- The acreage under Castor Crop has declined by 20-25 %. It is expected that the last Monsoonal rains damaged the castor crops by 5-10%. Besides this damage the acreage under Castor is also anticipated to go down. As per primary estimate, above two factors would lead to a decline of 4-5 lakh tonnes in the total production of Castor seeds. In 2019 total production of Castor Seeds was close to 20 lakh tonnes, which is anticipated to come down to 15 lakh tonnes in 2020.
- Late sowing of Castor is a hot topic of discussion amongst the farmers and traders, but chances of sowing after 15th October is very less. In contrast in certain areas early sowing of Castor has also happened as arrival of Castor seed from current season has also commenced in certain mandis. Now at certain markets mix of new and old season castor seeds is very much visible.



- After 1st phase of Castor Harvest and seeds picking, the news of 2nd phase of picking castor seeds is also coming up. Though this has happened in very few areas. This year the exports of Castor Oil have grown by 15 % as compared to last year. Major chunk has been exported to China. There has been no enhancement in the export of castor seeds to Western Markets.
- And with the news of Corona Vaccine coming up the economic activities would remain bullish so the export of Castor Oil is anticipated to be between the tue export numbers achieved during 2019 & 2020. An estimated figure for export during 2021 is 6 lakh tonnes.
- The prices of Castor seeds would go down is very unlikely. Apparently there would be a strong international demand. Chances of major jump in the prices of Castor seeds are very minimal due to current prevailing situation.
- On a day today basis 45000 bags of Castor is arriving whereas 80000 bags of Castor is being crushed in mills every day. So the pipeline is getting shortened. Extra stock with traders is gradually coming down and getting exhausted. The castor oil exports in 2020 has gown up by 18%. The export to China has grown substantially as compared to other global markets.
- In 2020 bumper castor crop was expected. This anticipation by Castor Oil importing countries led to decline in their inventory of Castor Seeds and oil, this lead to decline in export numbers. The estimated production of Castor in 2020-21 is 15.10 lakh tonnes



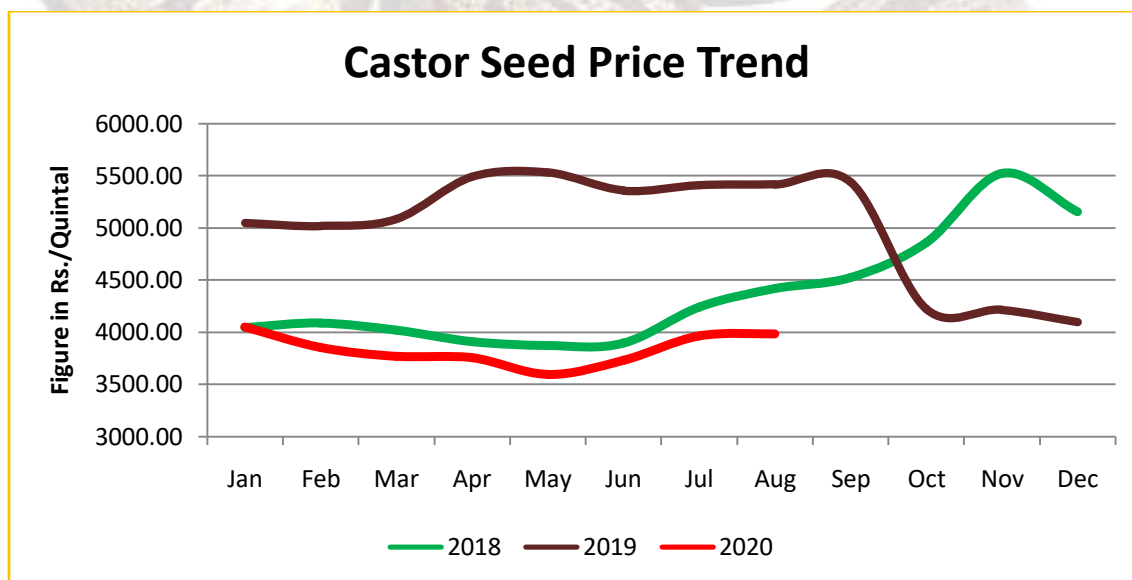
and the carry forward stock of Castor would be 3.29 lakh tonnes. In the current prevailing situation when Corona Vaccination has begun in some of the western countries the global economic activities are expected to remain bullish in 2021. This indicates that the demand of Castor Seeds and oil in the international market would remain strong.

- The export numbers to China has remained substantially good. Though during the Lunar New Year the demand for Castor might slow down, but once that gets over the demand would again pick up. And in western market especially US and West European markets the demand for Castor Oil has started picking up after Christmas.

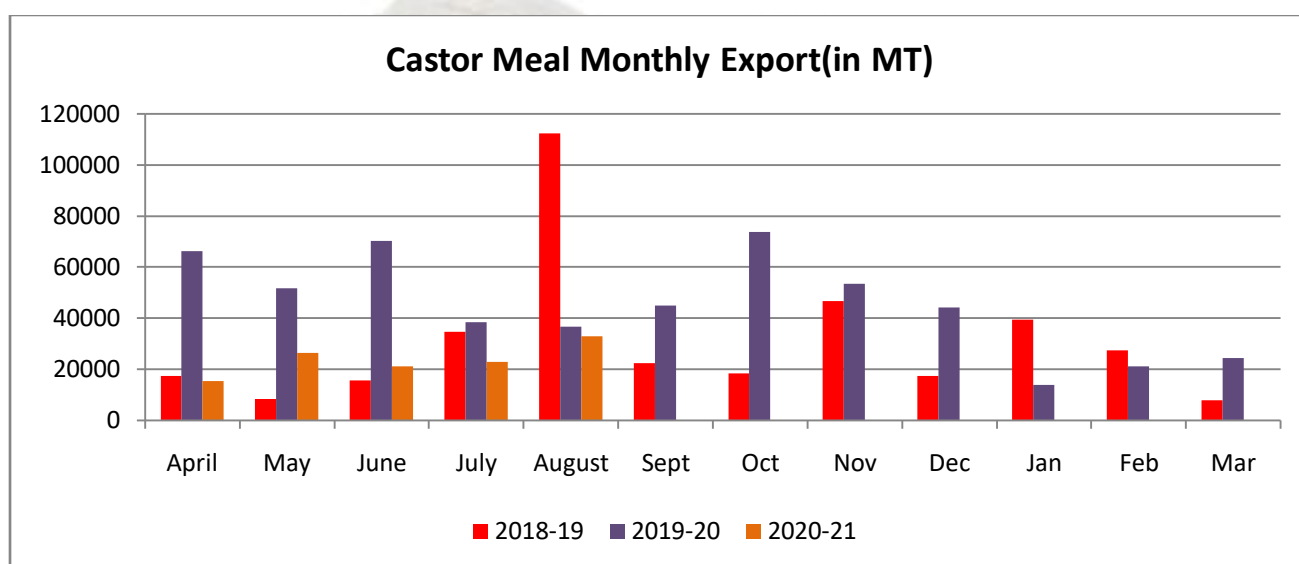
### Sowing Updates:

| 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 Third week December, 2020

| State          | Prices 16-23 Dec 2020 | Prices 09-15 Dec 2020 | Prices 16-23 Nov 2019 | % Change(Over Previous Week) | % Change(Over Previous Year) |
|----------------|-----------------------|-----------------------|-----------------------|------------------------------|------------------------------|
| Karnataka      | 3785.37               | 3433.18               | 5000                  | 10.26                        | -24.29                       |
| Gujarat        | 4111.1                | 4038.08               | 4287.36               | 1.81                         | -4.11                        |
| Maharashtra    |                       |                       |                       | ---                          | ---                          |
| Rajasthan      | 3921.09               | 3889.91               | 4105.34               | 0.8                          | -4.49                        |
| Andhra Pradesh | 3599.19               | 3262.61               | 4086.16               | 10.32                        | -11.92                       |
| Tamil Nadu     |                       | 4709                  |                       | ---                          | ---                          |
| Telangana      |                       |                       | 4122.94               | ---                          | ---                          |
| Average        | 3854.19               | 3866.56               | 4320.36               |                              |                              |

Prices in Rs/Quintal

#### Cash Market Price Outlook for Spot Price

| Expected Range        | Rs/Qtl.(Low) | Rs /Qtl.(High) |
|-----------------------|--------------|----------------|
| Short term (15 days)  | 3850-3950    | 3900-4350      |
| Medium Term (30 days) | 4200-4300    | 4400-4600      |

## Technical Analysis:

### Castor – Technical Outlook

#### Technical Commentary:

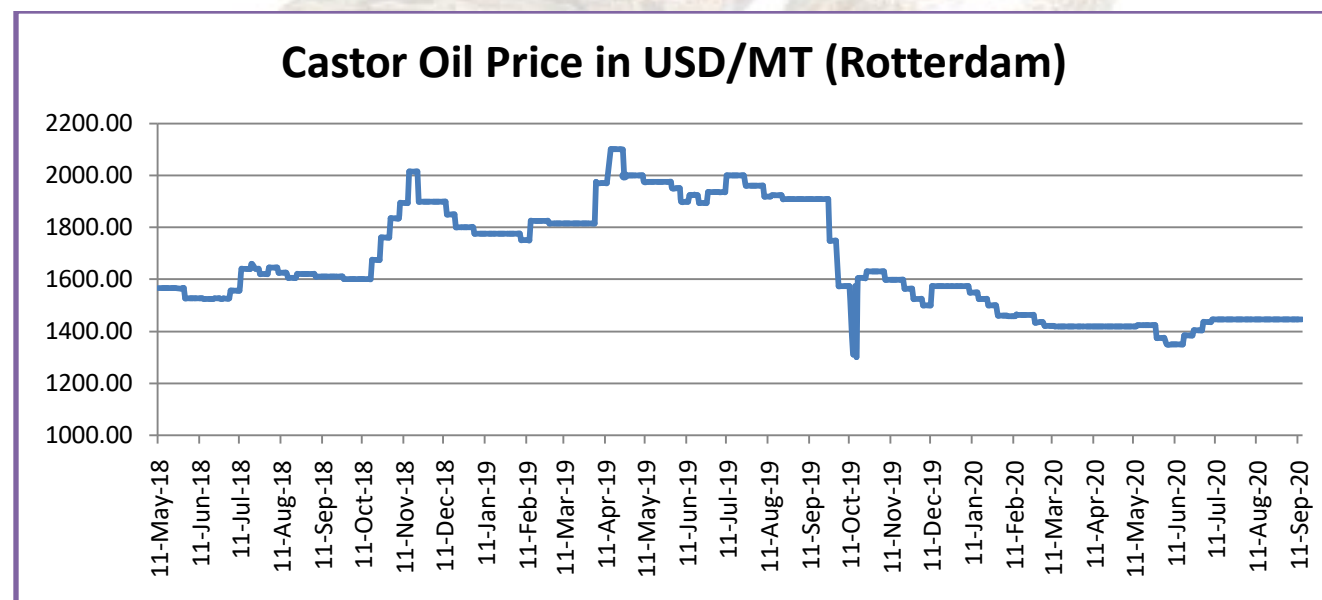
- Major sentiments are more likely to be firm even as it trades below 4208 per 100 kg. Meanwhile, prices firmly retained the support of 3970 levels.
- This could be a good level for bargain buying targeting towards 4400-4500 and if breaks the resistance of 4400 aiming further higher to 4460-4590 levels.
- 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 | Jan | 3800 | 3950  | 4208 | 4450 | 4500 |
| Pre Weekly Trade Call           |       |     | Call | Entry | T1   | T2   | SL   |
| Castor                          | NCDEX | Jan | Buy  | 4200  | 4235 | 4265 | 4180 |

#### Rotterdam Price:



Source: Agriwatch

| <b>Comparative Prices Of Castor Products Including Seed</b> |                   |                   |                   |                   |                 |
|---|-------------------|-------------------|-------------------|-------------------|-----------------|
|   | <b>21stAug'20</b> | <b>14thAug'20</b> | <b>21stJul'20</b> | <b>21stAug'19</b> | <b>CHANGE %</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</b> | <b>Market</b>      | <b>Price (Rs/ Quintal)</b>   |                              | <b>Change</b> |
|------------------|--------------------|------------------------------|------------------------------|---------------|
|                  |                    | <b>06 Jan to 12 Jan 2021</b> | <b>30 Dec to 05 Jan 2021</b> |               |
| <b>Gujarat</b>   | Patan              | 4400                         | 4321                         | <b>79</b>     |
|                  | Harij              | 4452                         | 4385                         | <b>67</b>     |
|                  | Rajkot             | 4272                         | 4230                         | <b>42</b>     |
|                  | Gondal             | 4341                         | 4293                         | <b>48</b>     |
|                  | Deesa              | 4418                         | 4353                         | <b>65</b>     |
|                  | Bhabar             | 4446                         | 4336                         | <b>110</b>    |
|                  | Mehsana            | 4404                         | 4344                         | <b>60</b>     |
|                  | Kadi               | 4428                         | 4361                         | <b>68</b>     |
|                  | Sabarkatha         | 4446                         | 4354                         | <b>92</b>     |
|                  | Gandhi Nagar       | 4446                         | 4367                         | <b>79</b>     |
|                  | Ahmedabad (Sanand) | 0                            | 0                            | <b>Unch</b>   |
|                  | Halvad             | 4438                         | 4442                         | <b>-4</b>     |
|                  | Junagadh           | 1448                         | 1675                         | <b>-228</b>   |
|                  | Dhrol              | 678                          | 700                          | <b>-23</b>    |
| <b>Rajasthan</b> | Jodhpur            | 4318                         | 4280                         | <b>38</b>     |
|                  | Sumerpur           | 4271                         | 4217                         | <b>54</b>     |

**Castor Seed Cumulative Arrivals in Key Centers:**

| <b>Center</b> | <b>Market</b> | <b>06 Jan to 12 Jan</b> | <b>30 Dec to 05 Jan</b> | <b>Change</b> |
|---------------|---------------|-------------------------|-------------------------|---------------|
|---------------|---------------|-------------------------|-------------------------|---------------|

|                                     |                    | 2021         | 2021         | e           |
|-------------------------------------|--------------------|--------------|--------------|-------------|
| <b>Gujarat</b>                      | Patan              | 10125        | 11250        | -1125       |
|                                     | Harij              | 2513         | 2925         | -413        |
|                                     | Rajkot             | 966          | 1233         | -267        |
|                                     | Gondal             | 2750         | 1950         | 800         |
|                                     | Deesa              | 1613         | 600          | 1013        |
|                                     | Bhabar             | 1163         | 638          | 525         |
|                                     | Mehsana            | 1960         | 1880         | 80          |
|                                     | Kadi               | 5000         | 3704         | 1296        |
|                                     | Sabarkatha         | 1040         | 520          | 520         |
|                                     | Gandhi Nagar       | 2250         | 1650         | 600         |
|                                     | Ahmedabad (Sanand) | 0            | 0            | Unch        |
|                                     | Halvad             | 1988         | 1763         | 225         |
|                                     | Junagadh           | 169          | 51           | 118         |
|                                     | Dhrol              | 1            | 1            | Unch        |
|                                     |                    |              |              |             |
| <b>Rajasthan</b>                    | Jodhpur            | 0            | 0            | Unch        |
|                                     | Sumerpur           | 1120         | 880          | 240         |
| <b>Total Arrivals/Above Markets</b> |                    | <b>32656</b> | <b>29044</b> | <b>3612</b> |

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