

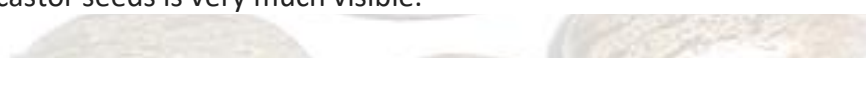


# Castor Weekly Research Report

## 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:**

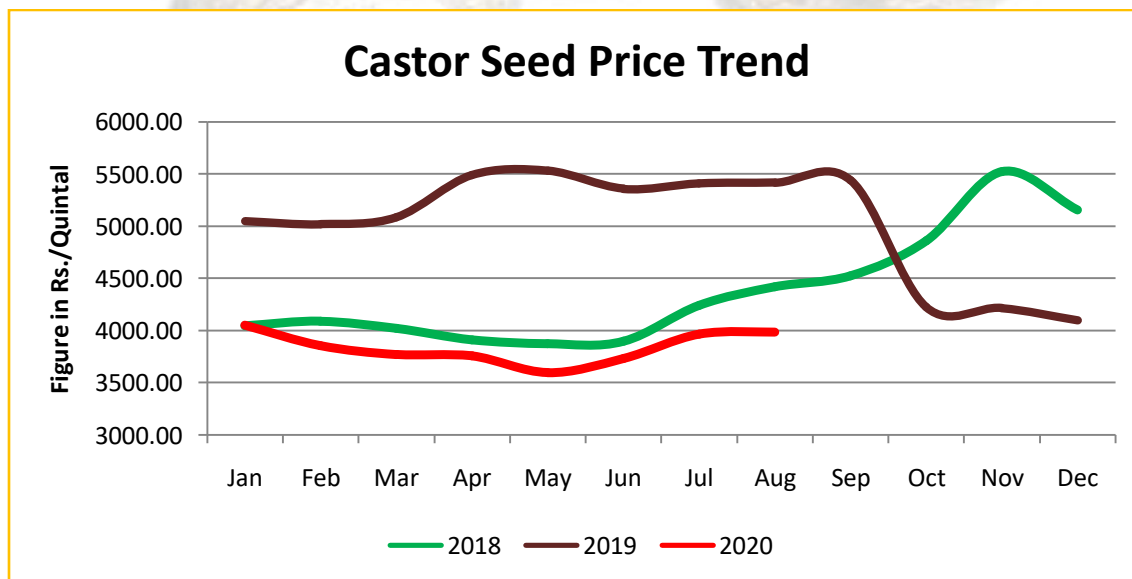
- Higher arrival in 3<sup>rd</sup> week of January put pressure in castor seed price. All India castor seed arrival is higher by 17522 quintal from previous week to 45087 quintal.
  - Picking is started in some district which is the reason for higher arrival, however prices will depend upon the export demand in coming weeks.
  - 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.
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- 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 led 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:

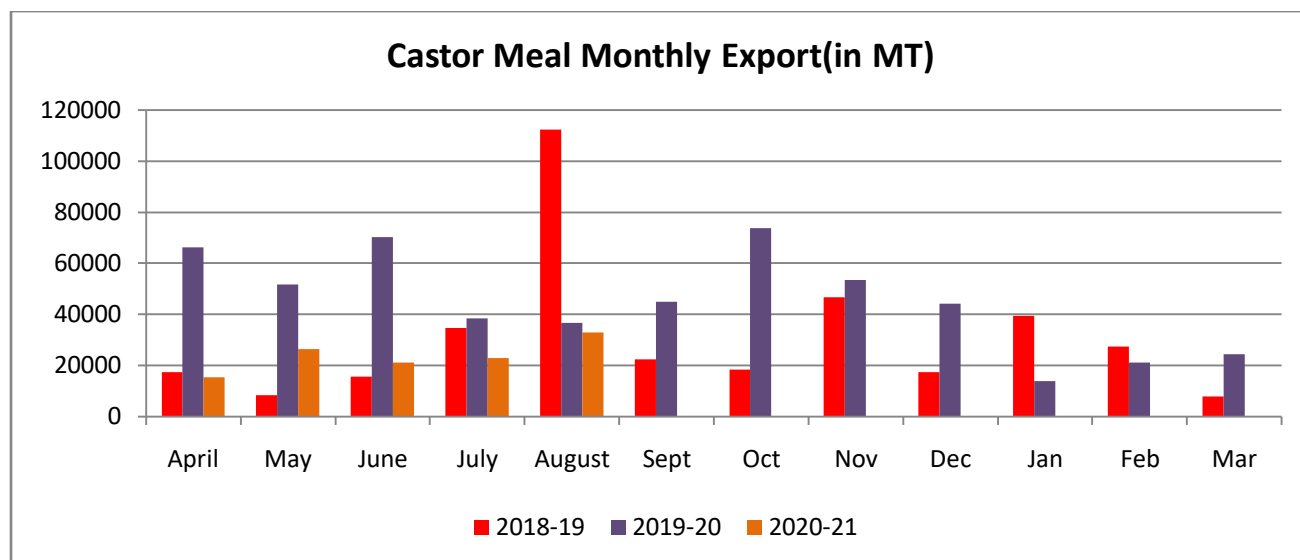
State	Normal Area	Area sown reported			Absolute Change
		This Year	% of Normal	Last Year	
Andhra Pradesh	0.40	0.18	44.89	0.33	-0.15
Gujarat	6.15	5.80	94.24	6.79	-0.99
Rajasthan	1.69	1.40	82.77	1.54	-0.15
Telangana	0.38	0.14	35.78	0.23	-0.09
<b>All-India</b>	<b>9.07</b>	<b>7.74</b>	<b>85.4</b>	<b>9.10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

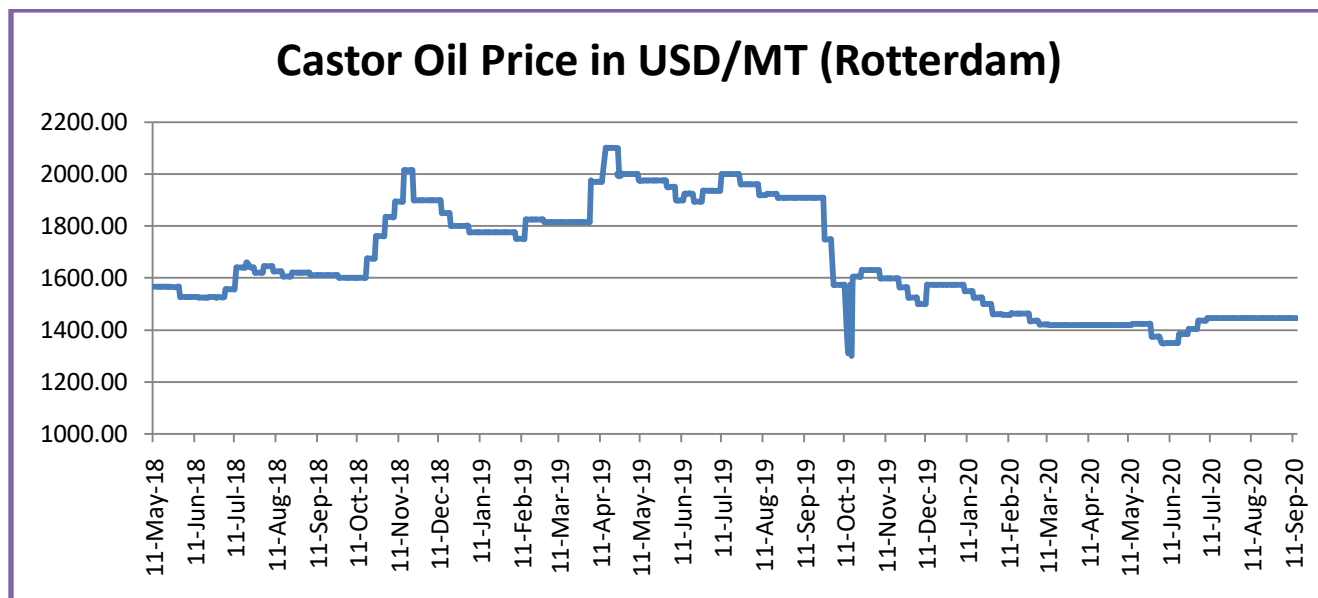
- Major sentiments are more likely to be firm even as it trades below 4208 per 100 kg. Meanwhile, prices firmly retained the support of 3970 levels.
- This could be a good level for bargain buying targeting towards 4400-4500 and if breaks the resistance of 4400 aiming further higher to 4460-4590 levels.
- 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

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

Source: SEA.

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

Commodity	Market	Price (Rs/ Quintal)		Change
		20th Jan to 27th Jan 2021	13Jan to 19 Jan 2021	
Gujarat	Patan	4354	4440	-86
	Harij	4391	4458	-68
	Rajkot	4253	4266	-13
	Gondal	4272	4315	-43
	Deesa	4383	4420	-37
	Bhabar	4389	4445	-56

	Mehsana	4358	4430	<b>-72</b>
	Kadi	4358	4431	<b>-73</b>
	Sabarkatha	4413	4460	<b>-48</b>
	Gandhi Nagar	4392	4431	<b>-40</b>
	Ahmedabad (Sanand)	0	0	<b>Unch</b>
	Halvad	4446	4435	<b>11</b>
	Junagadh	1070	0	<b>1070</b>
	Dhrol	1011	735	<b>276</b>
<b>Rajasthan</b>	Jodhpur	4307	4332	<b>-25</b>
	Sumerpur	4196	4280	<b>-84</b>

<b>Castor Seed Cumulative Arrivals in Key Centers:</b>				
<b>Center</b>	<b>Market</b>	<b>20th Jan to 27th Jan 2021</b>	<b>13Jan to 19 Jan 2021</b>	<b>Change</b>
<b>Gujarat</b>	Patan	17925	9450	<b>8475</b>
	Harij	2513	1275	<b>1238</b>
	Rajkot	674	955	<b>-281</b>
	Gondal	2550	2200	<b>350</b>
	Deesa	1275	863	<b>413</b>
	Bhabar	1725	1650	<b>75</b>
	Mehsana	3400	2080	<b>1320</b>
	Kadi	6516	4200	<b>2316</b>
	Sabarkatha	1640	880	<b>760</b>
	Gandhi Nagar	3075	1125	<b>1950</b>
	Ahmedabad (Sanand)	0	0	<b>Unch</b>
	Halvad	2663	1913	<b>750</b>
	Junagadh	169	0	<b>169</b>
	Dhrol	3	15	<b>-12</b>
<b>Rajasthan</b>	Jodhpur	0	0	<b>Unch</b>
	Sumerpur	960	960	<b>Unch</b>
<b>Total Arrivals/Above Markets</b>		<b>45087</b>	<b>27565</b>	<b>17522</b>

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