



Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

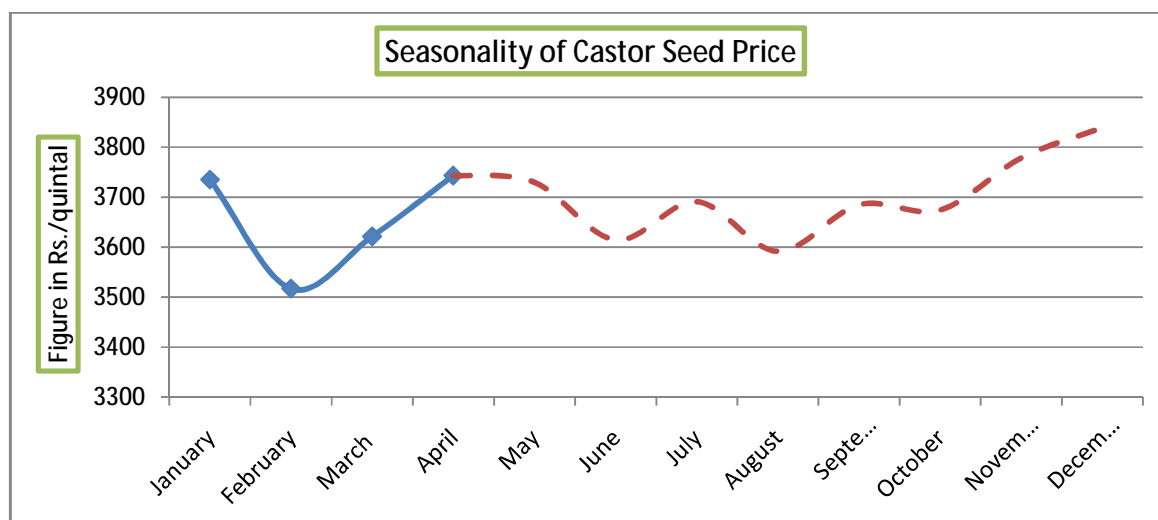
- Ø During the week period arrivals reported lower in most of the markets. Prices have also decreased in most of the markets.
- Ø Castor oil exports from India increased for 5th consecutive year in 2017-18 to 5.9 lakh tones (Apr-Feb), up by 18% from 2013-14. Since 2013-14, export volume is increasing at an average of 4% annually.
- Ø Export price of castor oil increased about 30% on year to Rs 96,254 per ton in 2017-18.
- Ø 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.
- Ø 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.
- Ø All India castor seed weekly prices were traded firm in 02nd week of May with lower arrival, all India arrival of castor seed reported were 162867 quintals which was lower by 17755 quintals than last week arrivals of 180622 quintals.
- Ø 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 13th October -2017 (in Lakh Hectare):

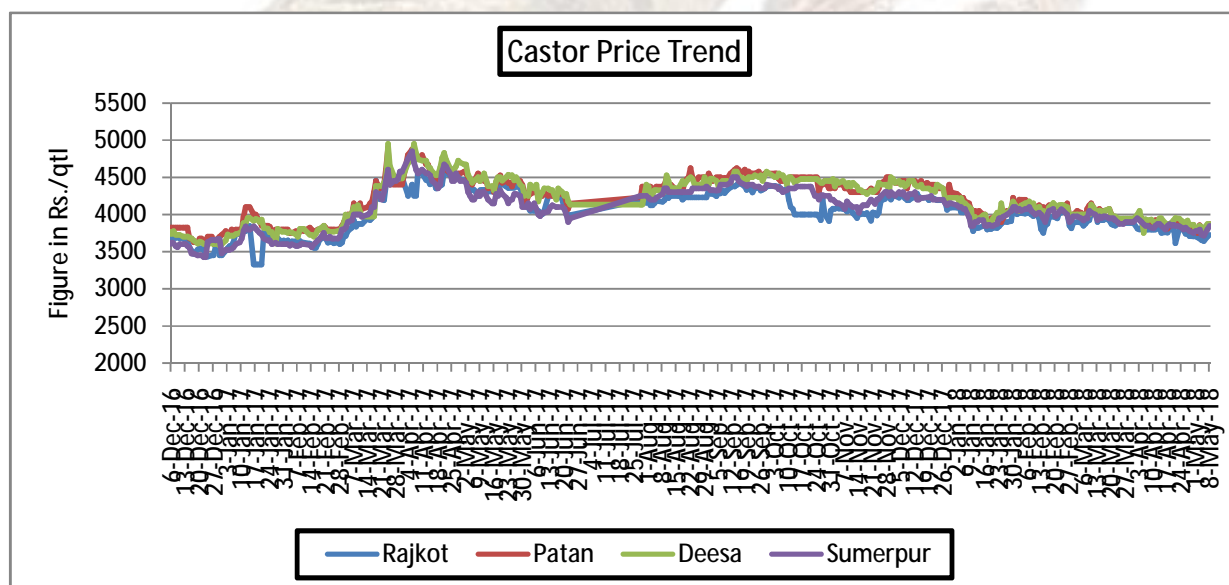
State	Area(2017)	Last Year(2016)	% Change	Normal Area
Gujarat	5.96	5.64	5.67	7.37
Rajasthan	1.6	1.72	-6.98	2.25
Telangana	0.31	0.43	-27.91	0.82
Andhra Pradesh	0.33	0.43	-23.26	0.89
Karnataka	0.07	0.11	-36.36	0.12
Maharashtra	0.07	0.12	-41.67	0.16
Others	0.38	0.33	15.15	0.23
Total	8.45	8.59	-1.63	11.84

Stake holders in cash market may opt for buying seed around Rs. 3850-3950 for profit purpose.

Seasonality of Castor Seed Price



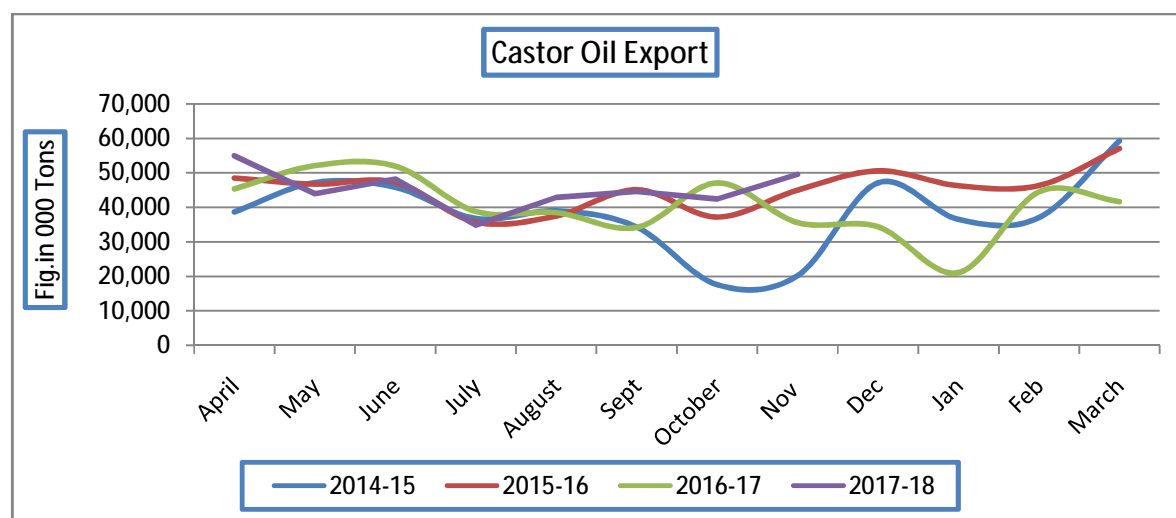
Castor Price Trend:



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:

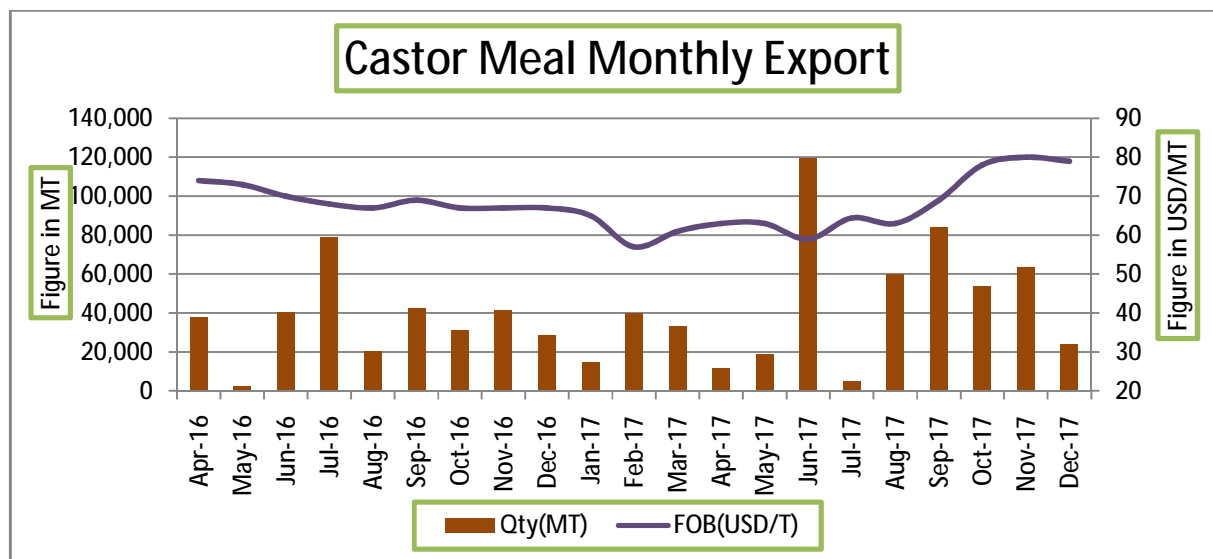


Source: Sea Of India

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

Cash Market Price Outlook for DeesaSpot

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.

Comparative Prices Of Castor Products Including Seed					
	13th April'18	6th April'18	13th March'18	13th April'17	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	40900	41000	41250	47876	-17.06
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	63	66	72	63	Unch
EXPORT (FOR) Ports (Rs./MT) Castor meal bulk Kandla	4100	4200	4550	4071	0.71
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1310	1325	1355	1587	-21.15
Local rates for oil in domestic market (Rs./M.T.) for comm.	86500	86500	87500	103292	-19.41

Technical Analysis:

Castor – Technical Outlook

Technical Commentary:

- Prices are likely to move downward in coming week.
- Decrease in prices with lower volume and OI indicates short build up.



Strategy: Sell

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	June	3700	3800	4035	4200	4250
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	June	Sell	4000	3900	3950	4060

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.

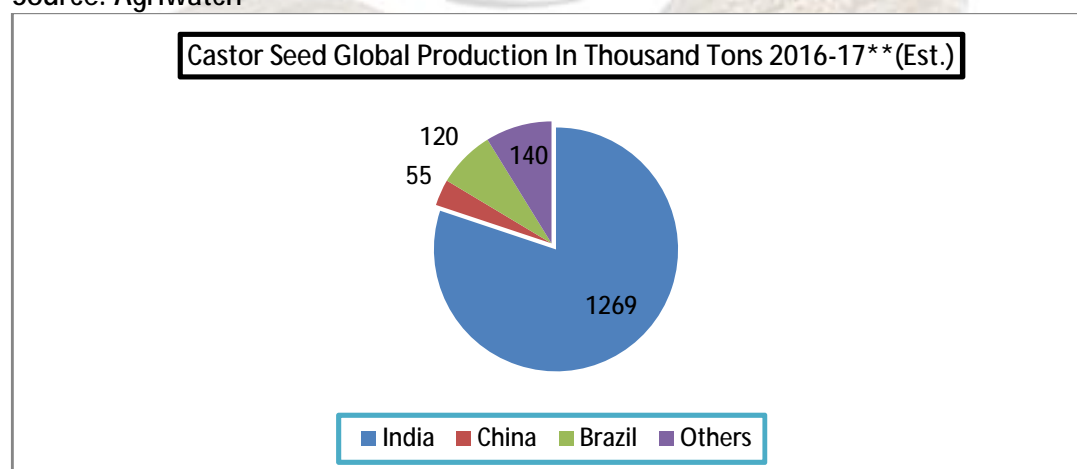
The season started with 5.91 lakh tons as carryout. Thus total availability for current marketing year comes to 18.6 lakh tons if estimated production of 12.69 lakh tons is included. Lower production would drag carryout down from 5.91 to 5.35 lakh tons. It would push seed price up in second and third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

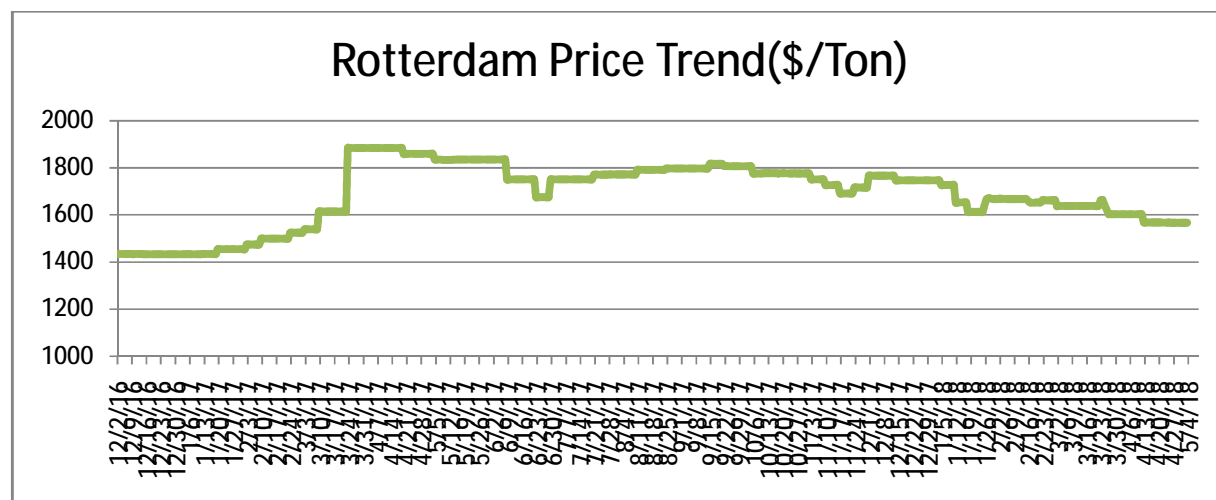


International market update:

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

Comparative Prices Of Castor Products Including Seed					
	11st April'18	4th April'18	11st March'18	11st April'17	CHANG E %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	4040	39550	40950	45852	-1034.95
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	64.00	63.00	63	63.00	1.56
EXPORT (FOR) Ports (Rs./MT) Castor meal bulk Kandla	4100	4100	4100	3985	2.80
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1265	1255	1320	1526	-20.63
Local rates for oil in domestic market (Rs./M.T.) for comm.	85000	83500	86500	98250	-15.59

Source: SEA. Latest data awaited

Castor Seed Weekly Prices at Key Spot Markets:

Commodity	Market	Price (Rs/ Quintal)		Change
Center		12th May to 18th May 2018	05th May to 11th May 2018	
Gujarat	Patan	3850	3854	-4
	Harij	3882	3864	18
	Rajkot	3763	3742	22
	Gondal	3818	3761	56
	Deesa	3907	3900	7
	Bhabar	3836	3877	-41
	Mehsana	3847	3853	-7
	Kadi	3861	3914	-53
	Sabarkatha	3923	3896	28
	Gandhi Nagar	3882	3902	-20
	Ahmedabad (Sanand)	3839	3822	18
	Halvad	3808	3833	-25
	Junagadh	3803	3745	58
	Dhrol	3497	3512	-15
Rajasthan	Jodhpur	3900	NA	-
	Sumerpur	3803	3815	-12

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		18-May-18	11-May-18	18-Apr-18	18-May-17
Gujarat	Patan	3775	3900	Closed	4500
	Harij	3865	3875	Closed	4475
	Rajkot	3710	3775	3820	4350
	Gondal	3805	NR	Closed	4405
	Deesa	3925	3935	Closed	4500
	Bhabar	3795	3910	Closed	Closed
	Mehsana	3800	3875	Closed	4475
	Kadi	3850	3900	Closed	4570
	Sabarkatha	3925	3900	Closed	4500
	Gandhi Nagar	3850	3900	Closed	4550
	Ahmedabad (Sanand)	3825	3855	Closed	4450
	Halvad	3800	3825	Closed	4350

Rajasthan	Junagadh	3740	3735	Closed	4365
	Dhrol	3460	3420	3515	4230
	Jodhpur	NA	NA	3950	4520
	Sumerpur	3780	3825	3870	4250

Castor Seed Cumulative Arrivals in Key Centers:				
Center	Market	12th May to 18th May 2018	05th May to 11th May 2018	Change
Gujarat	Patan	51375	57750	-6375
	Harij	12225	15000	-2775
	Rajkot	2265	3206	-941
	Gondal	1608	2898	-1290
	Deesa	4984	7055	-2071
	Bhabar	25360	29360	-4000
	Mehsana	5475	7050	-1575
	Kadi	28160	20864	7296
	Sabarkatha	2880	2960	-80
	Gandhi Nagar	4275	5850	-1575
	Ahmedabad (Sanand)	168	201	-33
	Halvad	2453	750	1703
	Junagadh	980	865	115
	Dhrol	124	98	26
Rajasthan	Jodhpur	112.5	NA	-
	Sumerpur	10160	8960	1200
Total Arrivals/Above Markets		152604	162867	-10263

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