



# Castor Weekly Research Report

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### Castor Domestic Market Fundamentals:

- Even with lower arrival in major castor spot markets, weekly price of castor seed traded weak in last week of May-2018.
- Rise in castor seed prices at futures trade was mostly attributed to rising of bets by participants, tracking a firm trend at the spot markets on strong demand from paint and other consuming industries against tight supplies in spot markets. In addition, pick up in export demand due to falling rupee against the greenback too influenced trading sentiments.
- 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.
- All India castor seed weekly prices were traded firm in 02<sup>nd</sup> 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.
- 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.

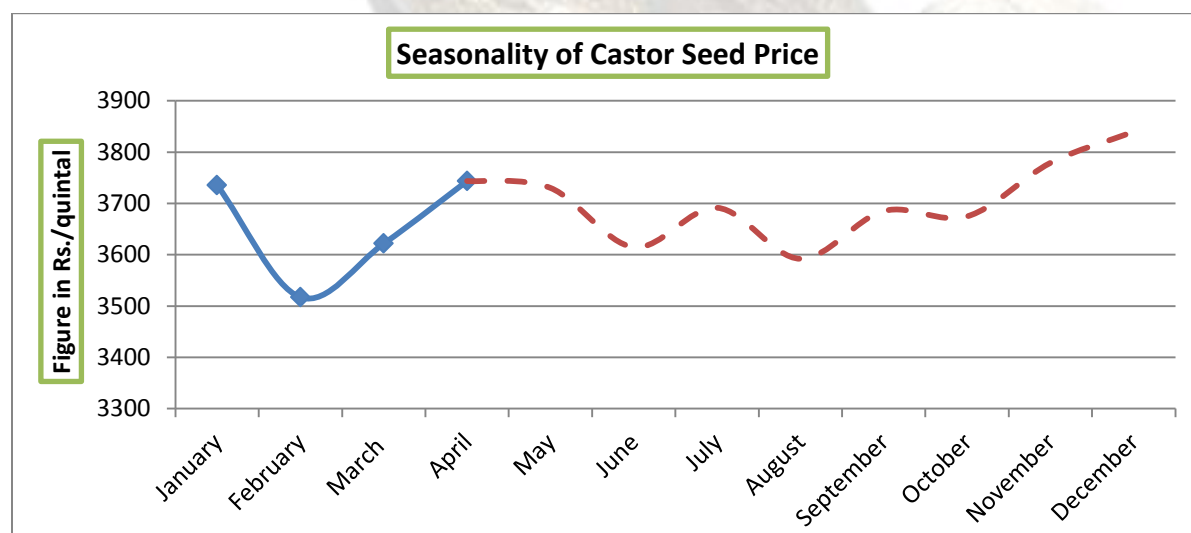
### Kharif Castor Seed Sowing Updates as on 01.06.2018 (in Lakh Hectare):

State	Normal Area as on date	Area sown reported			Absolute Change
		This Year	% of Normal	Last Year	
Andhra Pradesh			0.0		0.00
Arunachal Pradesh					
Karnataka	0.01	0.01	0.01	0.00	0.00
Kerala					
Madhya Pradesh			0.00		0.00
Maharashtra			0.00		0.00
Odisha			0.00		0.00
Rajasthan			0.00		0.00
Tamil Nadu			0.00		0.00
Telangana			0.00		0.00
West Bengal			0.00		0.00
All-India	0.01	0.01	0.01	0.00	0.00

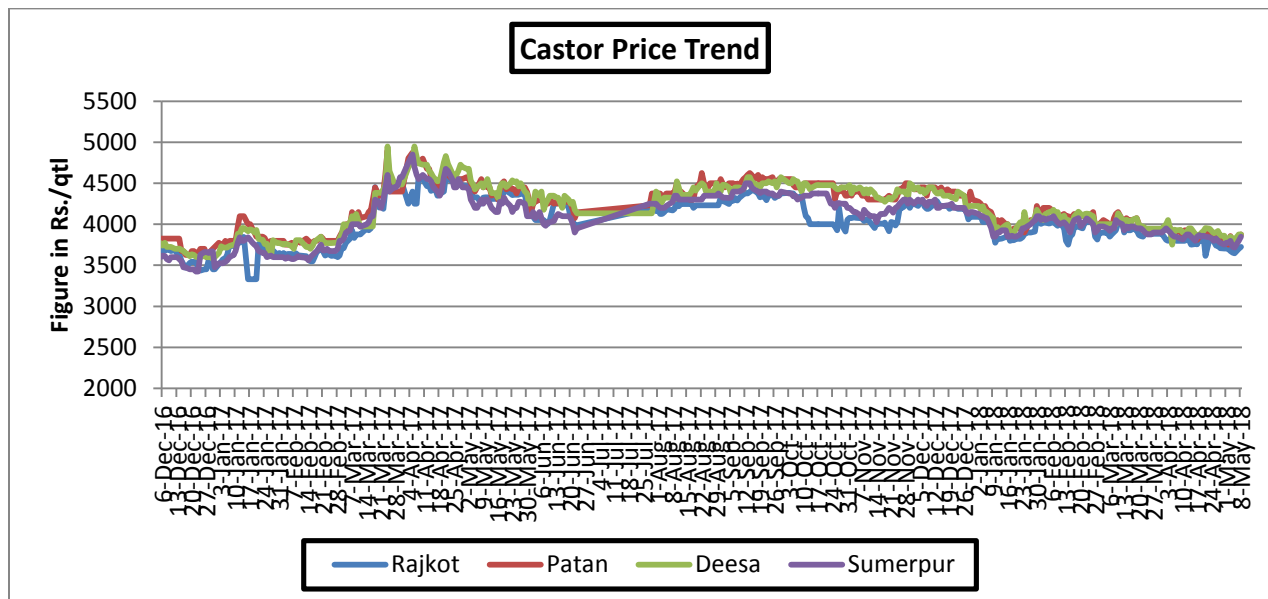
As per latest information available on sowing of Kharif crops, around 7% of the normal area under Kharif crops has been sown upto 01.06.2018. Area sown under all Kharif crops taken together has been reported 72.61 lakh hectares at All India level as compared to 77.67 lakh hectares in the corresponding period of last year and 69.12 lakh ha. normal area as on date. About 0.51 lakh hectare area coverage under oilseeds has been reported compared to normal of corresponding week (0.50 Lakh ha), thus 0.01 lakh hectares more area has been covered compared to normal of corresponding week. The area has mainly been reported from the states of Karnataka (0.29 lakh hectares under all oilseeds and under castor seed it is 0.01 lakh hectares).

**Stake holders in cash market may opt for buying seed around Rs. 3880-3950 for profit purpose.**

### Seasonality of Castor Seed Price



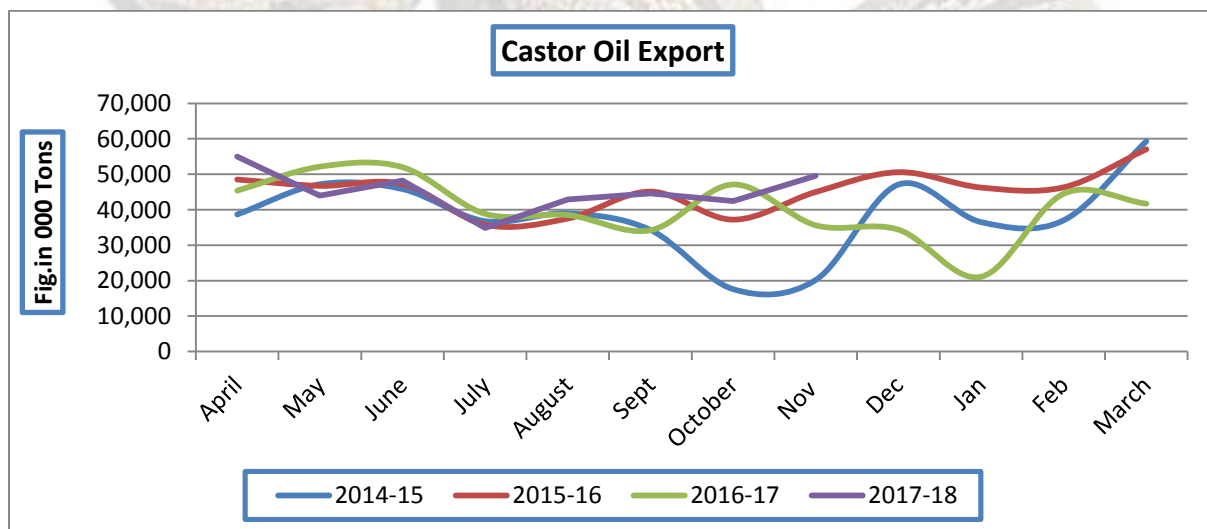
### Castor Price Trend:



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:



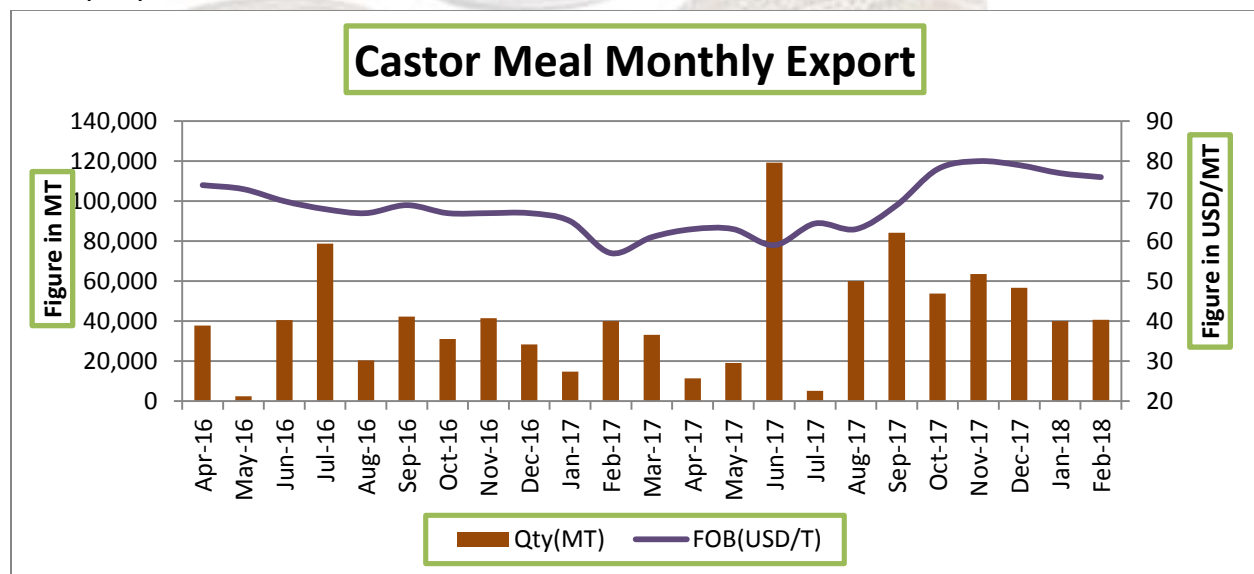
Source: Sea Of India

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'17– Mar.'18 Vietnam imported 646,490 tons of oil meals (compared to 345,745 tons); consisting of 42,897 tons of soybean meal, 92,293 tons of rapeseed meal and 511,300 tons of Deoiled Rice Bran Extraction. South Korea imported 752,799 tons of oil meals (compared to 545,092 tons); consisting 263,213 tons of rapeseed meal, 459,414 tons of castor meal and 30,172 tons of soybean meal. Bangladesh imported 145,293 tons of oil meals (compared to 230,588 tons); consisting 27,127 tons of rapeseed meal, 5,857 tons of De-oiled Rice Bran Extractions and 112,309 tons of soybean meal. Thailand imported 196,850 tons of oil meals (compared to 23,517 tons); consisting 129,619 tons of rapeseed meal, 17,949 tons of De-oiled Rice Bran Extractions and 49,247 tons of soybean meal. European countries were the major importer of Indian Soybean Meal. France imported 168,709 tons of oil meals (compared to 223,965 tons); consisting 161,230 tons of soybean meal and 7,479 tons of Castor meal. Germany imported 131,813 tons of soybean meals (compared to 25,068 tons) of oil meals and rest of European countries imported 209,826 tons of oil meals (compared to 18,604 tons); mainly soybean meal



Source: Sea of India

State wise Wholesale Prices Weekly Analysis for Castor Seed 01<sup>st</sup> week June, 2018

State	Prices 01-08 Jun 2018	Prices 24-31 May 2018	Prices 16-23 May 2018	Prices 01-08 Jun 2017	% Change(Over Previous Week)	% Change(Over Previous to Previous Week)	% Change(Over Previous Year)
Andhra Pradesh				3804.31	—	—	—
Gujarat	3797.55	3797.55	3830.11	4209.07	0	-0.85	-9.78
Karnataka	3600	3860	3950	3950	-6.74	-8.86	-8.86
Maharashtra	3262.5	3262.5	3262.5	3262.5	0	0	0
Rajasthan	3675.93	3766.24	3774.16	4072.29	-2.4	-2.6	-9.73
Tamil Nadu		3491.16	3569.17	3569.17	—	—	—
Telangana	3732.75	3740.71	3740.71	3791.02	-0.21	-0.21	-1.54
Average	3613.75	3653.03	3687.78	3808.34			

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

Cash Market Price Outlook for Deesa Spot

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	CHANG E %
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 steady in coming week.
- Decrease in prices with lower volume and OI indicates short build up.



#### Strategy: Buy on Dips

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	June	3650	3700	3930	4250	4300
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	June	Buy	3880	3915	3955	3870

## 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

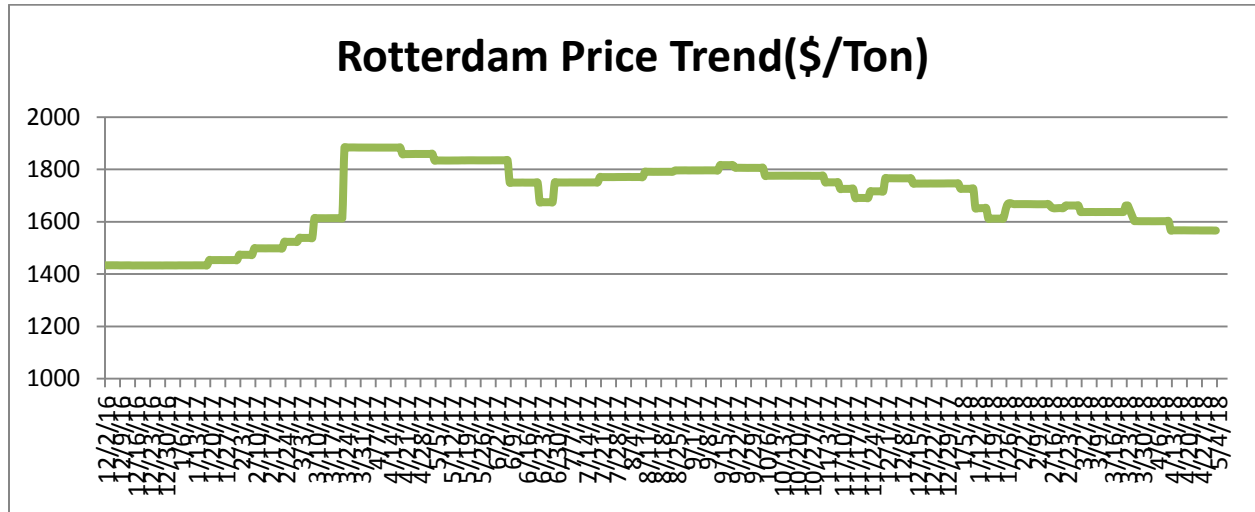
### Castor Seed Global Production share:

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

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

Commodity	Market	Price (Rs/ Quintal)		Change
		26th May to 01 June 2018	19th May to 25th May 2018	
Gujarat	Patan	3804	3863	-58
	Harij	3864	3893	-29
	Rajkot	3728	3748	-20
	Gondal	3811	3805	6
	Deesa	3818	3886	-68
	Bhabar	3831	3865	-34
	Mehsana	3808	3859	-51
	Kadi	3870	3897	-27
	Sabarkatha	3850	3887	-37
	Gandhi Nagar	3850	3900	-50
	Ahmedabad (Sanand)	3806	3806	Unch
	Halvad	3788	3842	-54
	Junagadh	3711	3773	-62
	Dhrol	3535	3558	-23
Rajasthan	Jodhpur	NA	3900	-
	Sumerpur	3743	3813	-70

**Week on Week Price: Scenario of Castor Seed :**

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		1-Jun-18	25-May-18	30-Apr-18	1-Jun-17



Gujarat	Patan	3800	3900	3825	4150
	Harij	3850	3875	3840	4250
	Rajkot	3650	3725	3705	4115
	Gondal	3780	3815	3855	4055
	Deesa	3820	3860	3860	4270
	Bhabar	3810	3850	3820	NA
	Mehsana	3800	3835	3850	4250
	Kadi	3855	3875	3860	4340
	Sabarkatha	3825	3900	3925	4225
	Gandhi Nagar	3850	3900	3875	4325
	Ahmedabad (Sanand)	3825	3825	3750	NA
	Halvad	3800	3800	3775	4225
	Junagadh	3710	3780	3750	3950
	Dhrol	3455	3550	3520	4020
Rajasthan	Jodhpur	NR	NA	3900	4200
	Sumerpur	3700	3800	3750	4100

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

Center	Market	26th May to 01 June 2018	19th May to 25th May 2018	Change
Gujarat	Patan	35625	41625	-6000
	Harij	5925	8100	-2175
	Rajkot	2040	2695	-655
	Gondal	1528	2211	-683
	Deesa	5034	7835	-2801
	Bhabar	16560	21040	-4480
	Mehsana	4800	6300	-1500
	Kadi	14240	28880	-14640
	Sabarkatha	1840	3520	-1680
	Gandhi Nagar	3000	4725	-1725
	Ahmedabad (Sanand)	148	204	-56
	Halvad	1088	2288	-1200
	Junagadh	442	895	-453
	Dhrol	108	127	-19
Rajasthan	Jodhpur	NA	60	-
	Sumerpur	3720	8800	-5080
Total Arrivals/Above Markets		96098	139305	-43207

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