



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:

- With lower arrival in major castor spot markets, weekly price of castor seed traded firmed in first week of June-2018.
- It is expected that, expanding of positions by participants due to pick-up in demand from consuming industries at the physical markets against restricted supplies from growing regions, mainly pushed up castor seed prices at futures trade.
- All India castor seed weekly prices were traded firm in 01st week of June with lower arrival, all India arrival of castor seed reported were 94024 quintals which was lower by 2074 quintals than last week arrivals of 96098 quintals.
- We expect that reducing of holdings by participants in tune with subdued trend in spot markets due to interest of buying support from soap, paint and lubricant industries, led to the increase in castor seed futures prices.

Kharif Castor Seed Sowing Updates as on 08.06.2018 (in Lakh Hectare):

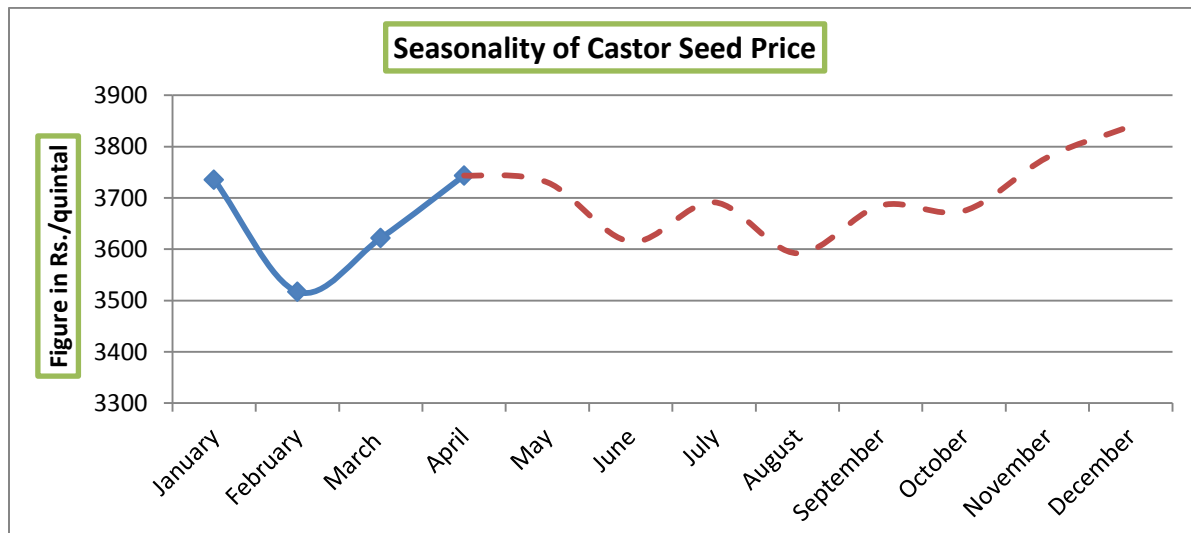
State	Normal Area as on date	Area sown reported			Absolute Change
		This Year	% of Normal	Last Year	
Andhra Pradesh			0.0		0.00
Arunachal Pradesh					
Karnataka	0.01	0.01	0.01	0.00	0.00
Kerala					
Madhya Pradesh			0.00		0.00
Maharashtra			0.00		0.00
Odisha			0.00		0.00
Rajasthan			0.00		0.00
Tamil Nadu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

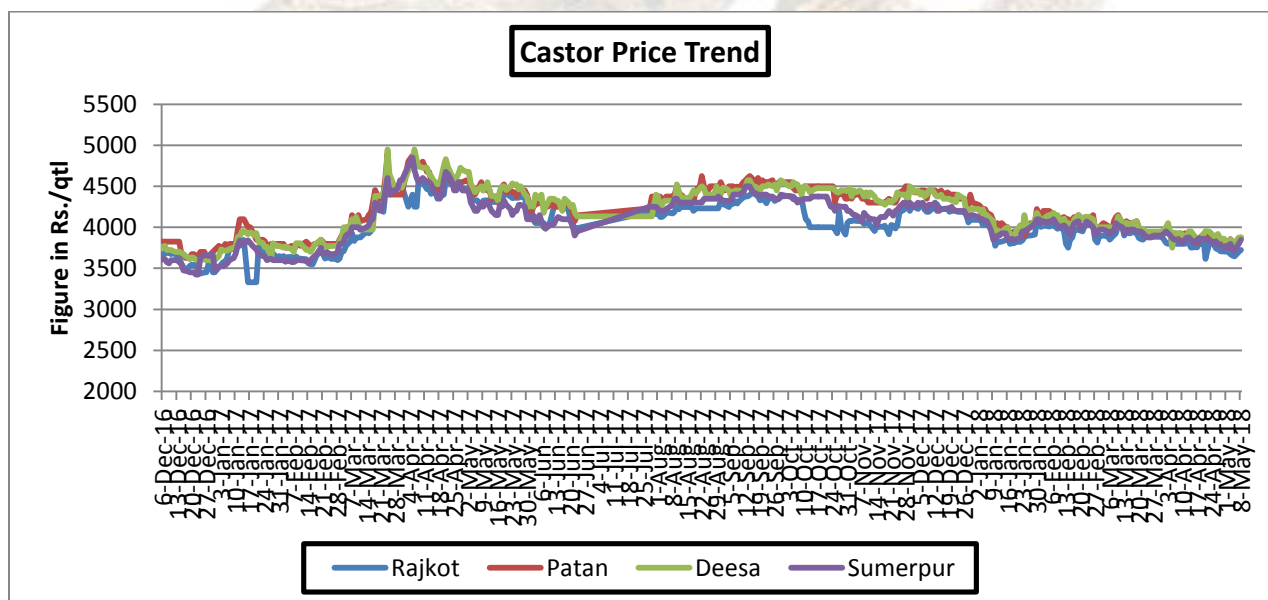
of corresponding week (0.50 Lakh ha), thus 0.01 lakh hectares more area has been covered compared to normal of corresponding week. The area has mainly been reported from the states of Karnataka (0.29 lakh hectares under all oilseeds and under castor seed it is 0.01 lakh hectares).

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

Seasonality of Castor Seed Price



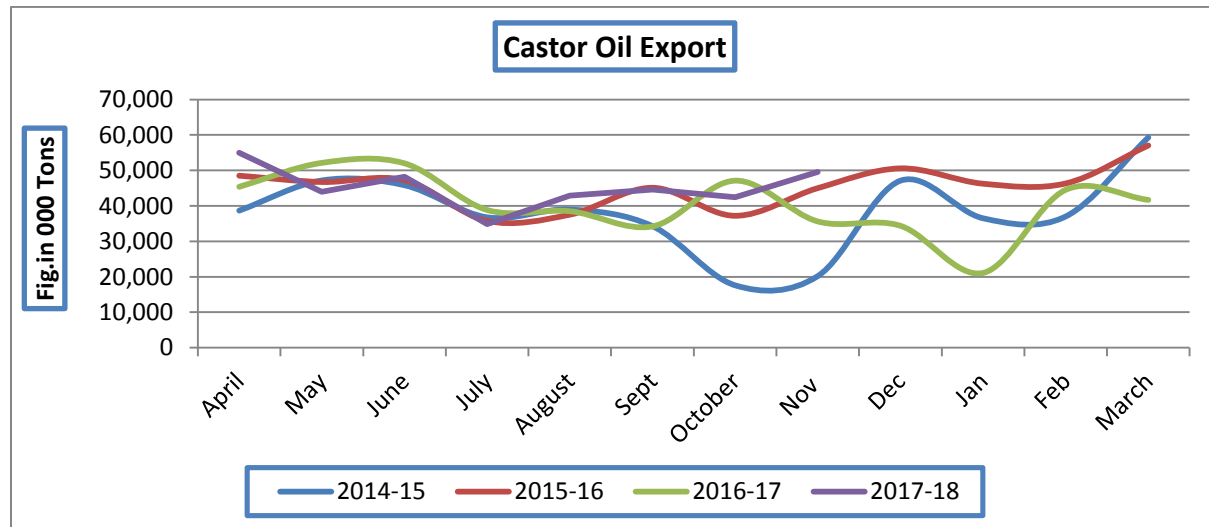
Castor Price Trend:



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:



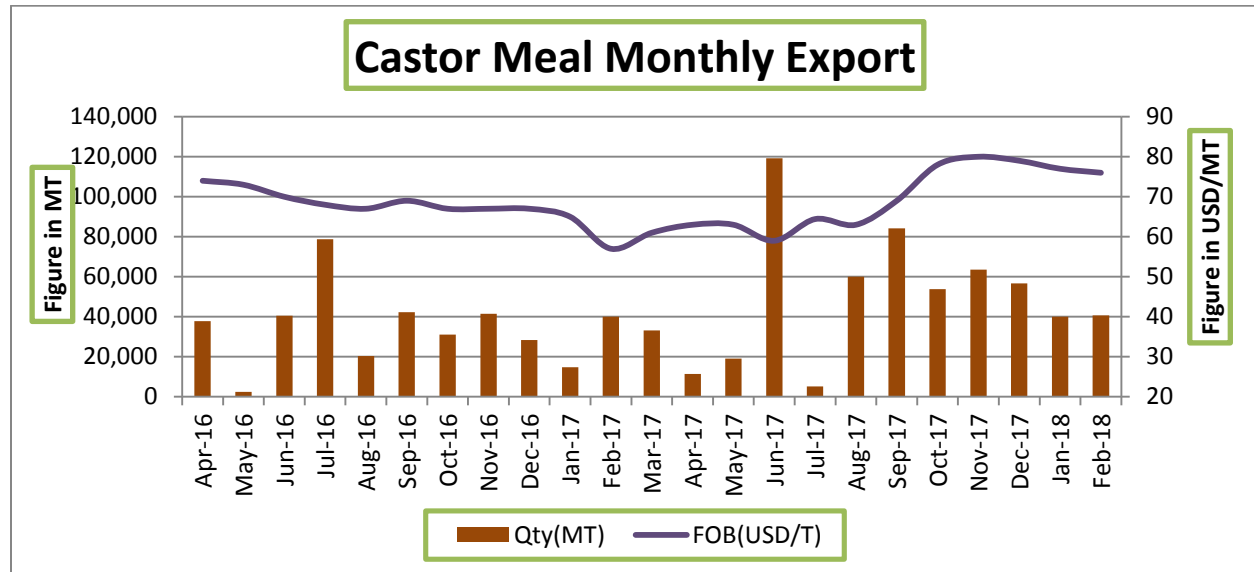
Source: Sea Of India

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 01st 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

	1st June '18	25th May'18	2nd May'18	1st June '17	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	39600	40050	39800	43488	-9.82
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	68.00	67.00	63.00	59.00	13.24
EXPORT (FOR) Ports (Rs./MT) Castor meal bulk Kandla	4600	4500	4100	3715	19.24
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1235	1240	1265	1449	-17.33
Local rates for oil in domestic market (Rs./M.T.) for comm.	83500	84000	83500	95068	-13.85

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

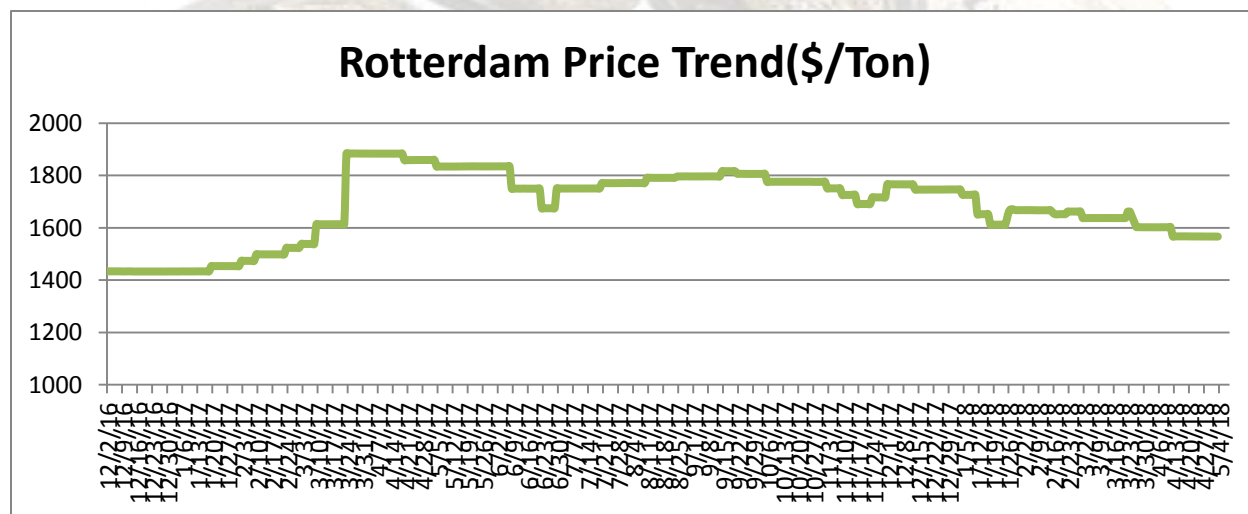
Castor Seed Global Production share:

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:





	Mehsana	3828	3808	20
	Kadi	3899	3870	29
	Sabarkatha	3871	3850	21
	Gandhi Nagar	3879	3850	29
	Ahmedabad (Sanand)	3800	3806	-6
	Halvad	3801	3788	13
	Junagadh	3758	3711	47
	Dhrol	3448	3535	-87
Rajasthan	Jodhpur	3603	NA	-
	Sumerpur	3781	3743	38

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
Center		8-Jun-18	1-Jun-18	8-May-18	8-Jun-17
Gujarat	Patan	3850	3800	3875	4250
	Harij	3875	3850	3875	4250
	Rajkot	3710	3650	3725	4025
	Gondal	3800	3780	3680	4105
	Deesa	3850	3820	3930	4250
	Bhabar	3810	3810	3925	NR
	Mehsana	3820	3800	3875	4275
	Kadi	3870	3855	3900	4175
	Sabarkatha	3850	3825	3900	4200
	Gandhi Nagar	3850	3850	3950	4275
	Ahmedabad (Sanand)	3780	3825	3800	NR
	Halvad	3800	3800	3775	4100
	Junagadh	3750	3710	3790	4000
	Dhrol	3450	3455	3540	3875
Rajasthan	Jodhpur	3600	3900	3900	4150
	Sumerpur	3800	3700	3850	3980

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	2nd June to 8th June 2018	26th May to 01 June 2018	Change
Gujarat	Patan	29625	35625	-6000
	Harij	5850	5925	-75
	Rajkot	2195	2040	155

	Gondal	2451	1528	923
	Deesa	3343	5034	-1691
	Bhabar	18180	16560	1620
	Mehsana	5175	4800	375
	Kadi	17432	14240	3192
	Sabarkatha	1360	1840	-480
	Gandhi Nagar	3300	3000	300
	Ahmedabad (Sanand)	168	148	20
	Halvad	825	1088	-263
	Junagadh	625	442	183
	Dhrol	122	108	14
Rajasthan	Jodhpur	402.5	NA	-
	Sumerpur	2970	3720	-750
Total Arrivals/Above Markets		94024	96098	-2074

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