



Castor Weekly Research Report

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Castor Domestic Market Fundamentals:

- As castor seed arrival is getting weak in major cash markets, prices of castor seed is trading firm in third week of June.
- Castor seed prices are expected to trade higher towards Rs.4,180 per quintal at Deesa market from current levels of Rs.4,130 per quintal. Lower supply amidst decline in arrivals is likely to support the prices in the short term. Higher year-on-year oil exports are also likely to support the prices.
- All India castor seed weekly prices were traded firm in 03rd week of June with lower arrival, all India arrival of castor seed reported were 74449 quintals which was lower by 6240 quintals than last week arrivals of 80689 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 22.06.2018 (in Lakh Hectare):

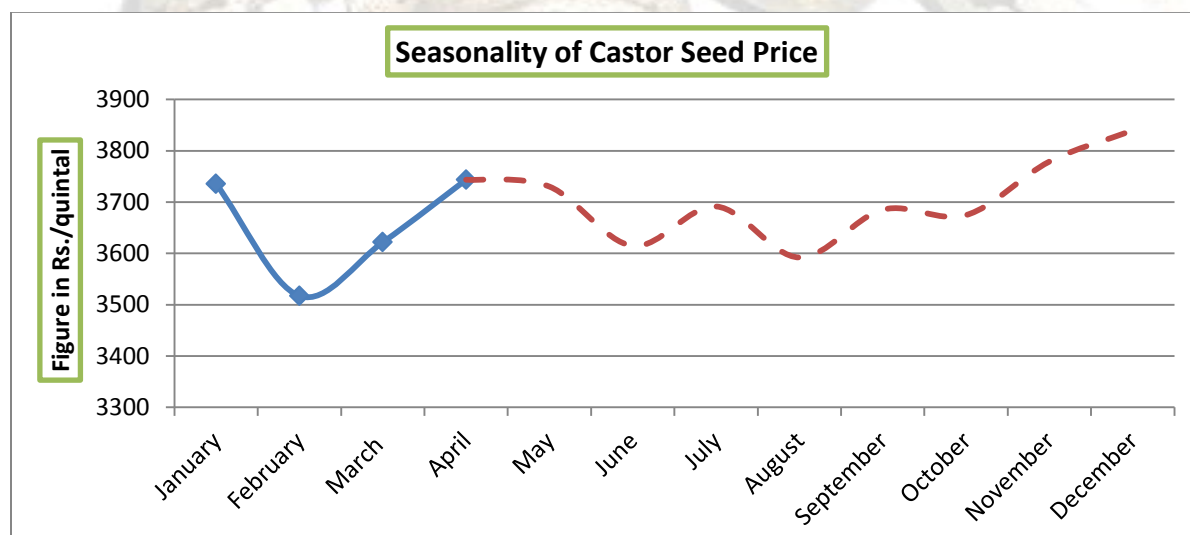
State		Normal Area as on date	Area sown reported			Absolute Change
	Normal Area		This Year	% of Normal	Last Year	
Andhra Pradesh	0.63	0.03	0.00	0.0	0.00	0.00
Assam	0.01	0.00	0.00	0.0	0.00	0.00
Gujarat	6.70	0.00	0.00	0.0	0.01	-0.01
Haryana	0.01	0.00	0.00	0.0	0.00	0.00
Jharkhand	0.01	0.00	0.00		0.00	
Karnataka	0.11	0.03	0.01	9.4	0.02	-0.01
Madhya Pradesh	0.05	0.00	0.00	0.0	0.00	0.00
Maharashtra	0.15	0.00	0.00	0.0	0.00	0.00
Odisha	0.11	0.00	0.00	0.0	0.00	0.00

Rajasthan	1.96	0.00	0.01	0.5	0.01	0.00
Tamil Nadu	0.06	0.00	0.00	0.0	0.00	0.00
Telangana	0.72	0.06	0.02	2.8	0.05	-0.03
All-India	10.51	0.13	0.07	0.7	0.10	-0.03

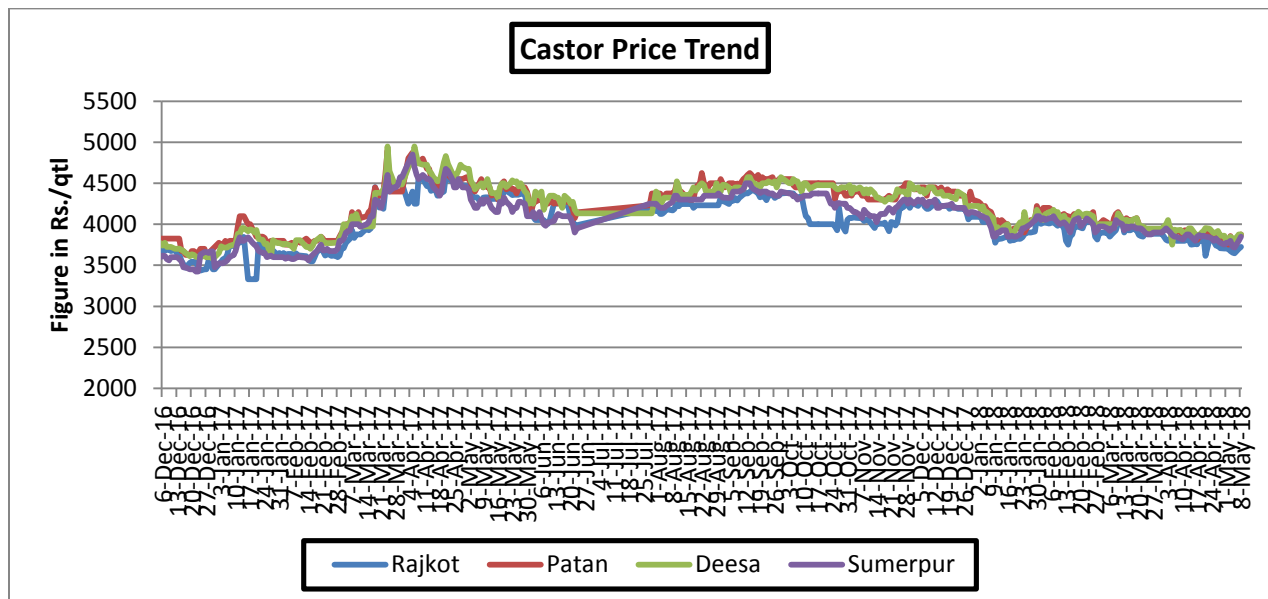
About 1.66 lakh hectare area coverage under oilseeds has been reported compared to normal of corresponding week (2.20 Lakh ha), thus 0.55 lakh hectares less area has been covered compared to normal of corresponding week. The area has mainly been reported from the states of Karnataka (0.89 lakh hectares under all oilseeds and under castor seed it is 0.02 lakh hectares).

Stake holders in cash market may opt for buying seed around Rs. 3900-4200 for profit purpose.

Seasonality of Castor Seed Price



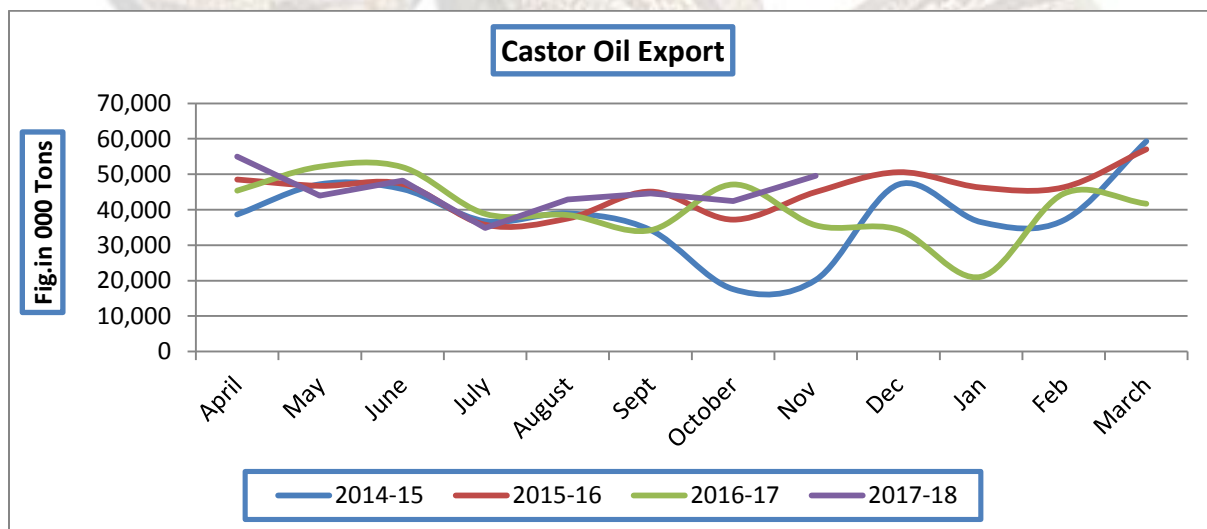
Castor Price Trend:



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:



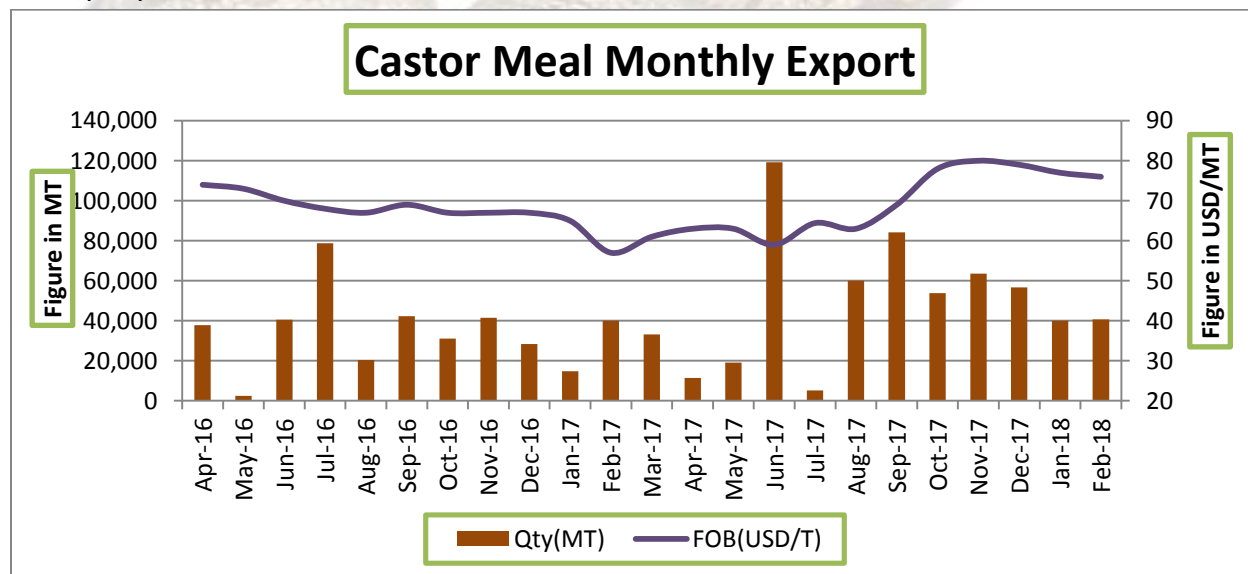
Source: Sea Of India

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 03rd week June, 2018

State	Prices 16-23 Jun 2018	Prices 09-15 Jun 2018	Prices 16-23 Jun 2017	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh			3730.41	---	---
Gujarat	3898.34	3898.34	4132.02	0	-5.66
Karnataka			3600	---	---
Maharashtra		3126.83	3481.5	---	---
Rajasthan	3809.69	3809.69	3857.01	0	-1.23
Tamil Nadu	2750	3510	3686.28	-21.65	-25.4
Telangana	3066.53	3066.53	3855.92	0	-20.47
Uttar Pradesh			3100	---	---
Average	3381.14	3482.28	3680.39		

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)	3950-4200	4000-4300
Medium Term (30 days)	4100-4350	4200-4400

Source: SEA.

Comparative Prices Of Castor Products Including Seed					
	15th June '18	8th June '18	15th May'18	15th June '17	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	40400	39600	40.55	43.488	-7.64
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	70.00	70.00	65.00	59.00	15.71
EXPORT (FOR) Ports (Rs./MT) Castor meal bulk Kandla	4750	4650	4300	3715	21.79
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1260	1235	1255	1449	-15.00
Local rates for oil in domestic market (Rs./M.T.) for comm.	85500	83500	85000	95068	-11.19

Technical Analysis:
Castor – Technical Outlook
Technical Commentary:

- Prices are likely to move steady to firm in coming week.
- Increase in prices with lower volume and OI indicates long build up.


Strategy: Buy on Dips

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	June	3800	3850	4086	4250	4300
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	June	Buy	4090	4120	4135	4080

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

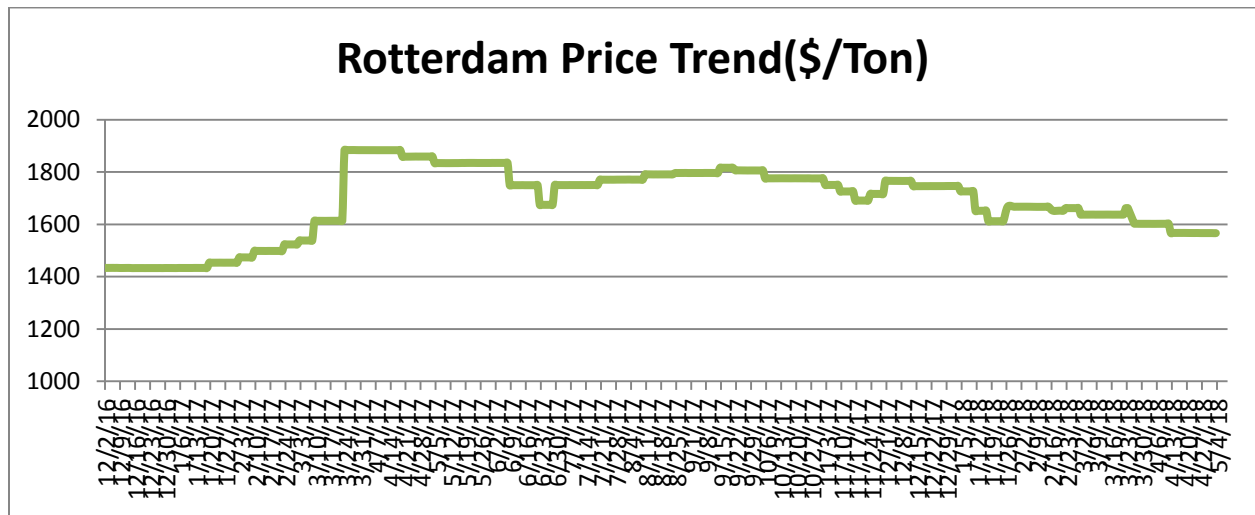
Castor Seed Global Production share:

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
		18th June to 22nd June 2018	9th June to 15th June 2018	
Gujarat	Patan	3920	3817	103
	Harij	3975	3871	104
	Rajkot	3878	3731	147
	Gondal	3955	3764	191
	Deesa	3919	3833	87
	Bhabar	3915	3812	103
	Mehsana	3913	3813	100
	Kadi	3957	3868	90
	Sabarkatha	3951	3858	93
	Gandhi Nagar	3970	3869	101
	Ahmedabad (Sanand)	3884	3790	94
	Halvad	3825	3771	54
	Junagadh	3852	3706	146
	Dhrol	3310	3498	-188
Rajasthan	Jodhpur	3740	3642	98
	Sumerpur	3925	3804	121

Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		22-Jun-18	15-Jun-18	22-May-18	22-Jun-17
Gujarat	Patan	4025	3850	3875	4075
	Harij	4075	3975	3875	4050
	Rajkot	3940	3770	3780	3950
	Gondal	3980	3800	3800	4005
	Deesa	3925	3905	3875	4175
	Bhabar	3950	3825	3840	NA
	Mehsana	3960	3870	3875	4125
	Kadi	4005	3925	3870	4165
	Sabarkatha	4000	3900	3850	4100
	Gandhi Nagar	4050	3925	3900	4125
	Ahmedabad (Sanand)	NA	3875	3785	4090
	Halvad	3900	3850	3825	4075
	Junagadh	3920	3800	3775	3935
	Dhrol	3630	3305	3540	3575
Rajasthan	Jodhpur	3700	3700	3900	4160
	Sumerpur	3975	3875	3825	3900

Castor Seed Cumulative Arrivals in Key Centers:				
Center	Market	18th June to 22nd June 2018	9th June to 15th June 2018	Change
Gujarat	Patan	20250	26625	-6375
	Harij	3900	5400	-1500
	Rajkot	1320	1145	175
	Gondal	2162	1850	312
	Deesa	2904	2450	454
	Bhabar	21992	18180	3812
	Mehsana	3713	4500	-788
	Kadi	12585	13980	-1395
	Sabarkatha	1280	880	400
	Gandhi Nagar	2063	2363	-300
	Ahmedabad (Sanand)	42	128	-86
	Halvad	593	480	113
	Junagadh	171	280	-109

	Dhrol	18	91	-73
Rajasthan	Jodhpur	338	337.5	Unch
	Sumerpur	1120	2000	-880
Total Arrivals/Above Markets		74449	80689	-6240

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