



# Castor Weekly Research Report

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**Castor Domestic Market Fundamentals:**

- Castor seed cash market traded firm with lower arrival.
- Castor seed prices turned weak by Rs 15 to Rs 4,550 per quintal in futures trade on liquidation of holdings by speculators at higher levels, driven by subdued spot markets sentiment.
- Castor seed futures prices met with resistance at existing levels, after profit booking by operators amid slackness in demand for consuming industries.
- All India castor seed weekly prices were traded firm in 01<sup>ST</sup> week of July with lower arrival, all India arrival of castor seed reported were 86535 quintals which was lower by 3774 quintals than last week arrivals of 90309 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 06.07.2018 (in Lakh Hectare):**

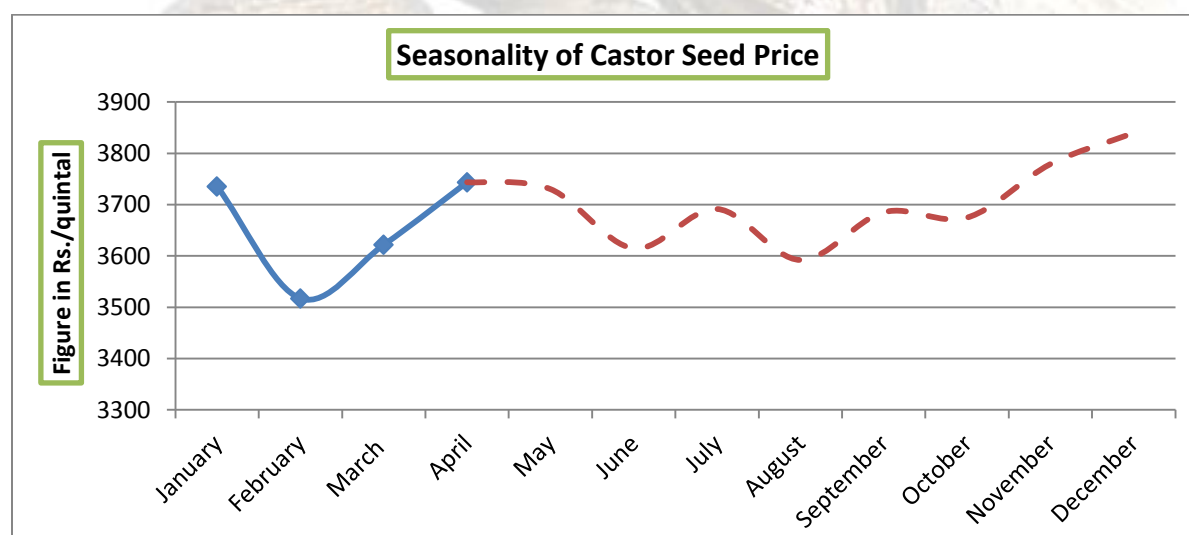
State	Normal Area	Normal Area as on date	Area sown reported			Absolute Change
			This Year	% of Normal	Last Year	
Andhra Pradesh	0.63	0.08	0.02	3.2	0.05	-0.03
Assam	0.01			0.0		0.00
Gujarat	6.70	0.03	0.00	0.0	0.02	-0.01
Haryana	0.01	0.00	0.00	40.0	0.00	0.00
Jharkhand	0.01		0.00		0.00	
Karnataka	0.11	0.04	0.03	28.3	0.03	0.00
Madhya Pradesh	0.05			0.0		0.00
Maharashtra	0.15	0.02	0.07	44.8	0.01	0.06
Odisha	0.11	0.01	0.00	3.6	0.01	0.00
Rajasthan	1.96	0.03	0.03	1.7	0.02	0.02
Tamil Nadu	0.06	0.00		0.0		0.00

Telangana	0.72	0.25	0.12	16.2	0.17	-0.05
West Bengal	0.00			0.0		0.00
Others		0.00	0.03		0.00	
All-India	10.51	0.47	0.31	2.9	0.30	0.01

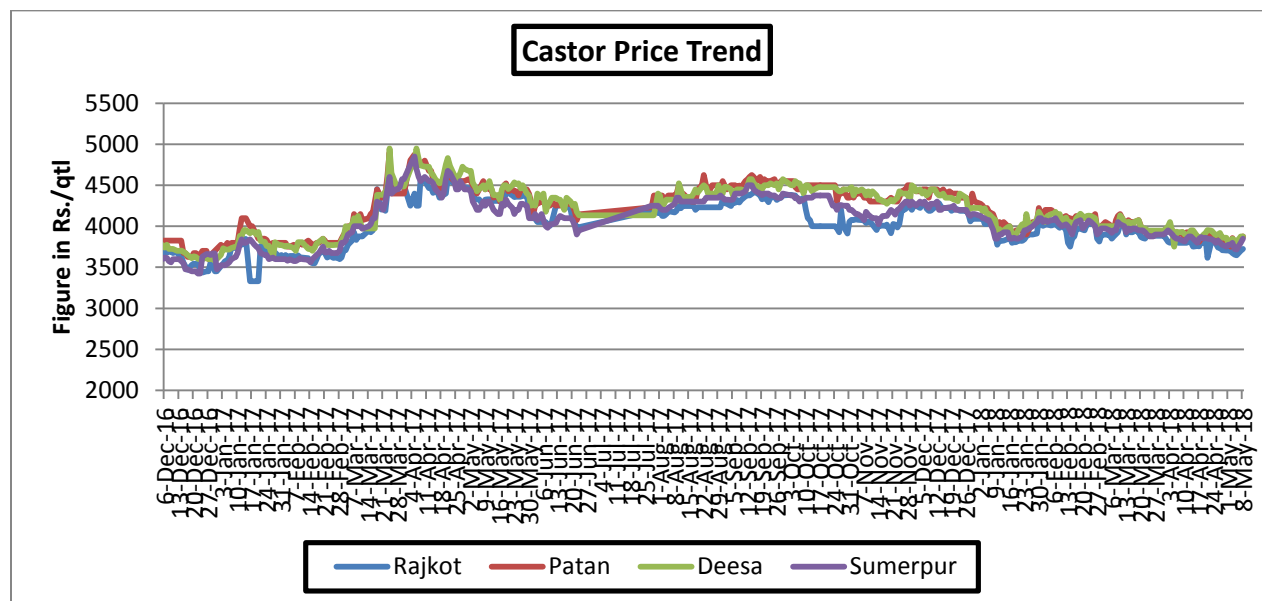
About 1.66 lakh hectare area coverage under oilseeds has been reported compared to normal of corresponding week (2.20 Lakh ha), thus 0.55 lakh hectares less area has been covered compared to normal of corresponding week. The area has mainly been reported from the states of Karnataka (0.89 lakh hectares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



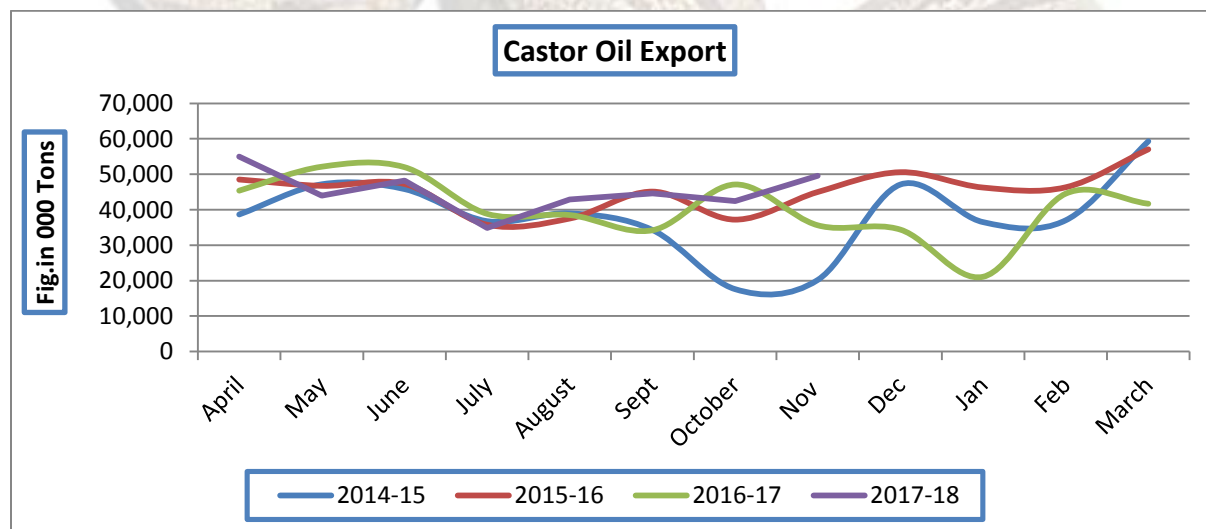
### Castor Price Trend:



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:



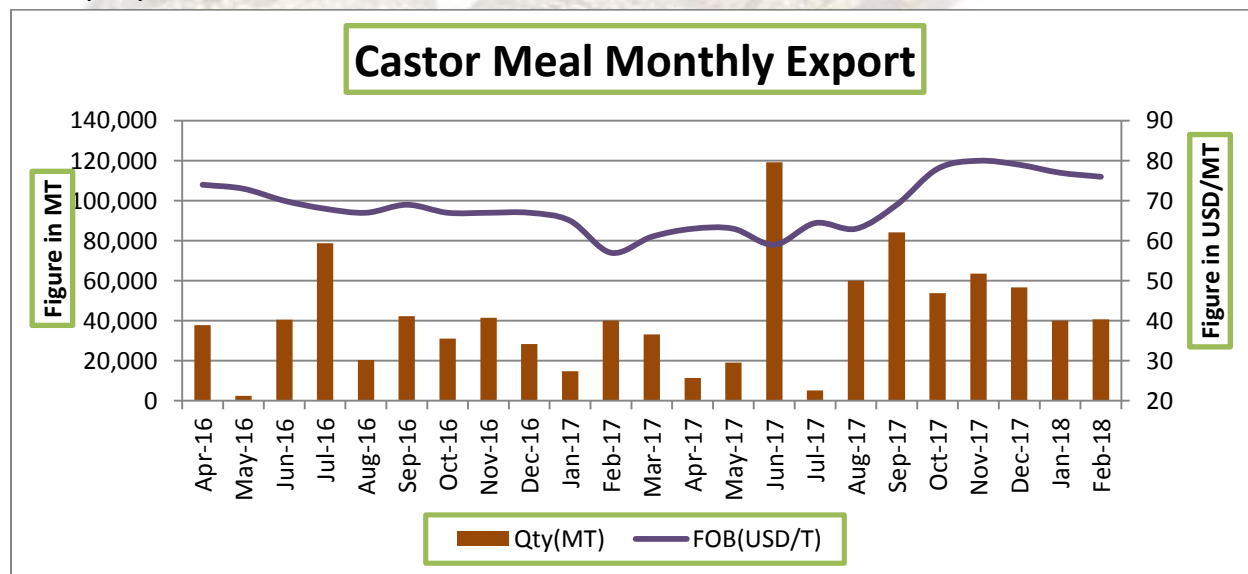
Source: Sea Of India

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 03<sup>rd</sup> 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.**

<b>Comparative Prices Of Castor Products Including Seed</b>					
	29th June '18	22nd June '18	29th May'18	29th June '17	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	41200	41150	40000	43488	-5.55
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	70.00	71.00	68.00	59.00	15.71
EXPORT (FOR) Ports (Rs./MT) Castor meal bulk Kandla	4800	4800	4600	3715	22.60
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1255	1270	1240	1449	-15.46
Local rates for oil in domestic market (Rs./M.T.) for comm.	86000	86000	84000	95068	-10.54

## 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	4193	4300	4350
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	June	Buy	4125	4145	4155	4120

## 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:**

Forecast For 2017-18								
<b>All units in lakh tons</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>Apr-Jun</b>	<b>July-Sep</b>	<b>Oct-Dec</b>	<b>Jan-Mar</b>
Carry in	7.88	7.08	6.58	6.95	6.95	13.69	9.04	5.94
Production	<b>11.7</b>	<b>13</b>	<b>15.12</b>	<b>12.94</b>	12.94	0	0	0
Imports	0	0	0	0	0	0	0	0
Total Availability	19.58	20.08	<b>21.70</b>	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	<b>12.5</b>	13.5	14.75	15.5	6.2	4.65	3.1	1.55
<b>Carry out</b>	<b>7.08</b>	<b>6.58</b>	<b>6.95</b>	4.39	13.69	9.04	5.94	<b>4.39</b>
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:**

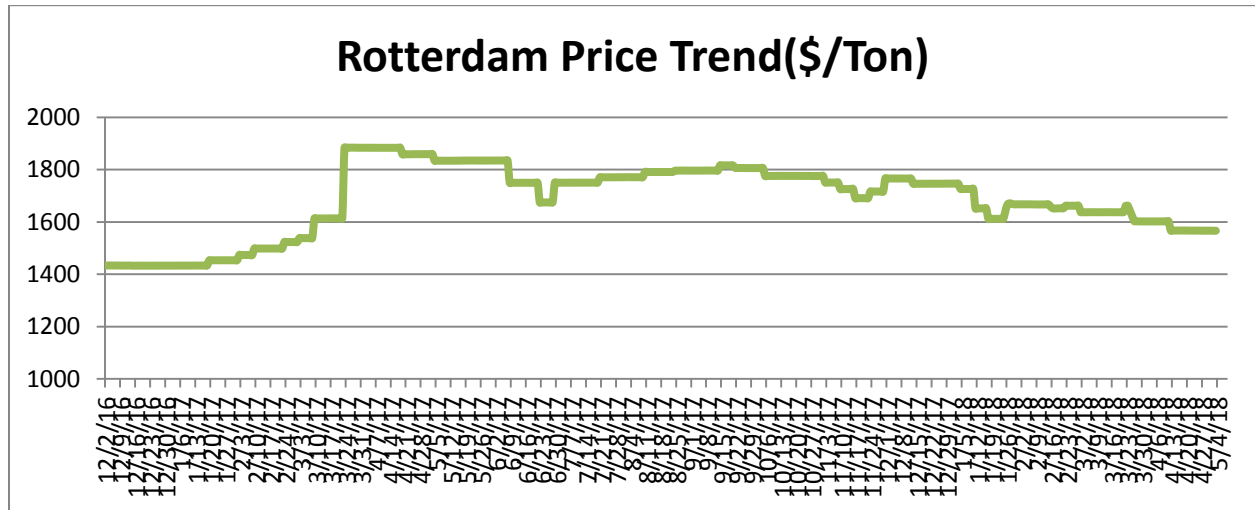
Source: Agriwatch

**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 Center	Market	Price (Rs/ Quintal)		Change
		30th June to 6th July 2018	23rd June to 29th June 2018	
Gujarat	Patan	4042	3971	71
	Harij	4035	4007	28
	Rajkot	3895	3886	9
	Gondal	4028	3934	94
	Deesa	4033	3982	52
	Bhabar	4033	3975	58
	Mehsana	4039	3964	75
	Kadi	4055	4028	28
	Sabarkatha	4092	4013	79
	Gandhi Nagar	4069	3998	72
	Ahmedabad (Sanand)	4043	3875	168
	Halvad	3979	3845	134
	Junagadh	3951	3969	-18
	Dhrol	3650	3663	-13
Rajasthan	Jodhpur	4058	3705	353
	Sumerpur	4033	3971	63



Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		6-Jul-18	29-Jun-18	6-Jun-18	6-Jul-17
Gujarat	Patan	4100	4025	3800	NA
	Harij	Closed	4015	3850	NA
	Rajkot	4040	3850	3800	NA
	Gondal	4105	3915	3750	NA
	Deesa	4125	3975	3845	NA
	Bhabar	4125	3960	3810	NA
	Mehsana	4125	3990	3825	NA
	Kadi	4165	3985	3900	NA
	Sabarkatha	4200	4025	3875	4250
	Gandhi Nagar	4165	4000	3875	NA
	Ahmedabad (Sanand)	4125	NA	3780	NA
	Halvad	4000	3800	3800	NA
	Junagadh	4000	4250	3765	NA
	Dhrol	NA	3650	3565	NA
Rajasthan	Jodhpur	4220	3730	3620	4250
	Sumerpur	4100	4000	3800	4150

Castor Seed Cumulative Arrivals in Key Centers:				
Center	Market	30th June to 6th July 2018	23rd June to 29th June 2018	Change
Gujarat	Patan	22320	23625	-1305
	Harij	3900	6000	-2100
	Rajkot	1018	810	208
	Gondal	1679	2200	-521
	Deesa	4506	3558	947
	Bhabar	20040	22860	-2820
	Mehsana	6375	5625	750
	Kadi	21280	20880	400
	Sabarkatha	800	680	120
	Gandhi Nagar	2250	2100	150
	Ahmedabad (Sanand)	8	2	6
	Halvad	750	330	420
	Junagadh	170	202	-32

	Dhrol	24	54	<b>-30</b>
<b>Rajasthan</b>	Jodhpur	375	383	<b>-8</b>
	Sumerpur	1040	1000	<b>40</b>
<b>Total Arrivals/Above Markets</b>		<b>86535</b>	<b>90309</b>	<b>-3774</b>



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