



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 01ST 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):

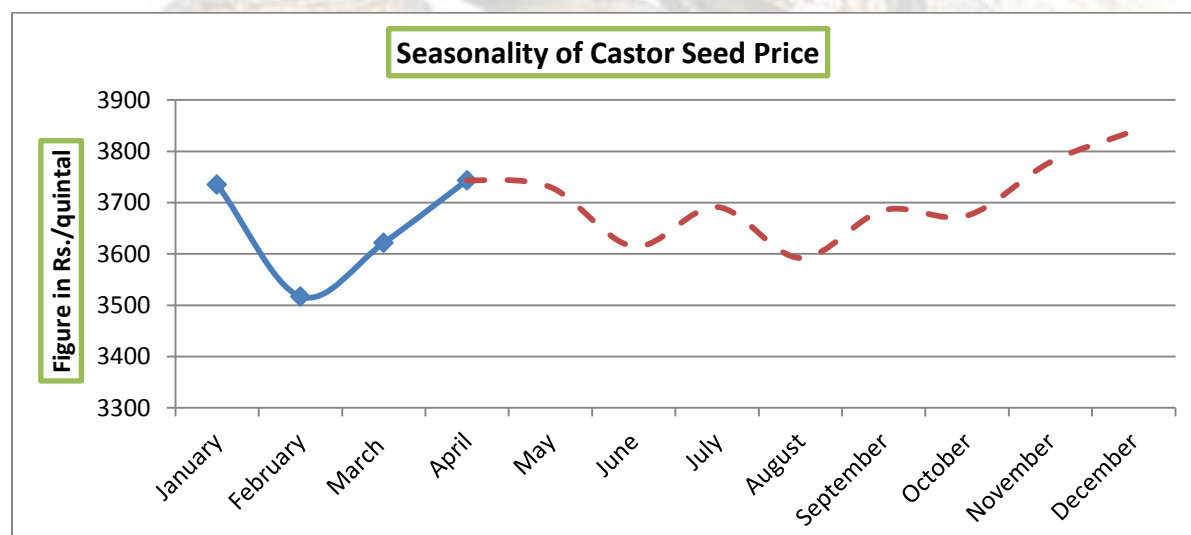
State	Normal Area	Normal Area as on date	Area sown reported			Absolute Change
			This Year	% of Normal	Last Year	
Andhra Pradesh	0.63	0.08	0.02	3.2	0.05	-0.03
Assam	0.01			0.0		0.00
Gujarat	6.70	0.03	0.00	0.0	0.02	-0.01
Haryana	0.01	0.00	0.00	40.0	0.00	0.00
Jharkhand	0.01		0.00		0.00	
Karnataka	0.11	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

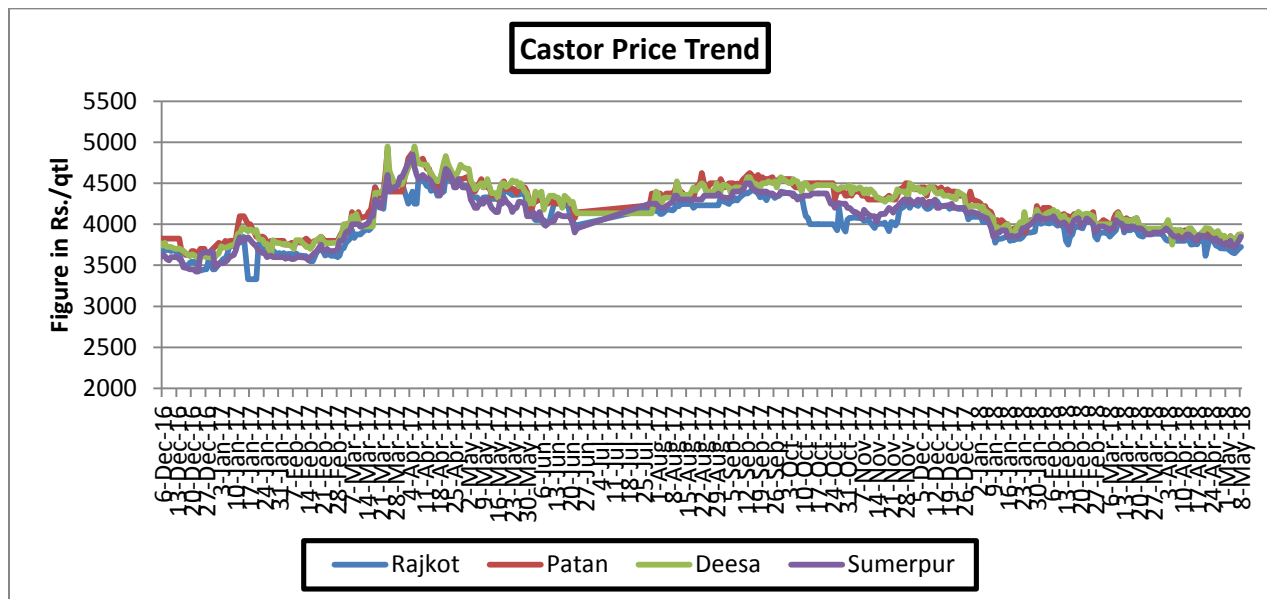
About 1.66 lakh hectare area coverage under oilseeds has been reported compared to normal of corresponding week (2.20 Lakh ha), thus 0.55 lakh hectares less area has been covered compared to normal of corresponding week. The area has mainly been reported from the states of Karnataka (0.89 lakh hectares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



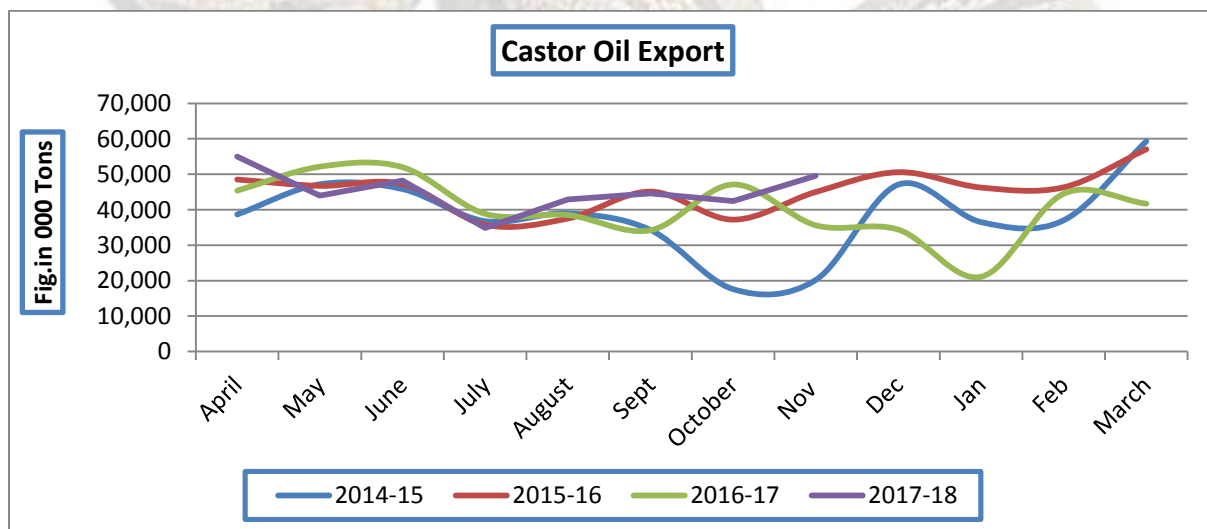
Castor Price Trend:



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:



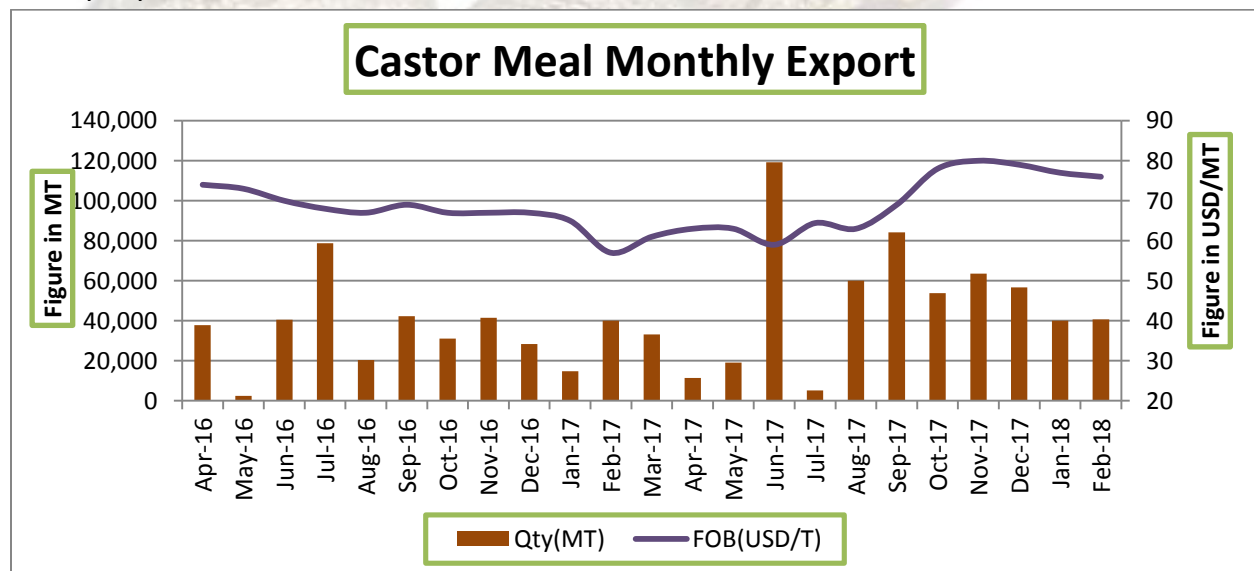
Source: Sea Of India

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 03rd week June, 2018

State	Prices 09-15 Jul 2018	Prices 01-08 Jul 2018	Prices 24-30 Jun 2018	Prices 09-15 Jul 2017	% Change(Over Previous Week)	% Change(Over Previous Year)
Andhra Pradesh				3776.64	---	---
Gujarat	4263.42	4263.42	4263.42	4263.42	0	0
Karnataka	3800	3800	3937.5	3937.5	0	-3.49
Madhya Pradesh	2500	2500	2500	3430.4	0	-27.12
Maharashtra	3758	3758	3758	3814	0	-1.47
Rajasthan	3945.76	3945.76	3945.76	3972.34	0	-0.67
Tamil Nadu			3380	3380	---	---
Telangana	4009	4009	4009	4009	0	0
Uttar Pradesh		3500	3500	3500	---	---
Average	3712.7	3682.31	3661.71	3787.03		

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					
	6th July '18	29th June '18	6th June '18	6th July '17	CHANGE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	42900	41200	39600	44290	-3.24
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	73.00	70.00	69.00	57.00	21.92
EXPORT (FOR) Ports (Rs./MT) Castor meal bulk Kandla	5050	4800	4600	3683	27.07
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1305	1255	1240	1513	-15.94
Local rates for oil in domestic market (Rs./M.T.) for comm.	90000	86000	83500	95465	-6.07

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	Aug	3800	3850	4446	4600	4650
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Aug	Buy	4440	4500	4520	4430

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								
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

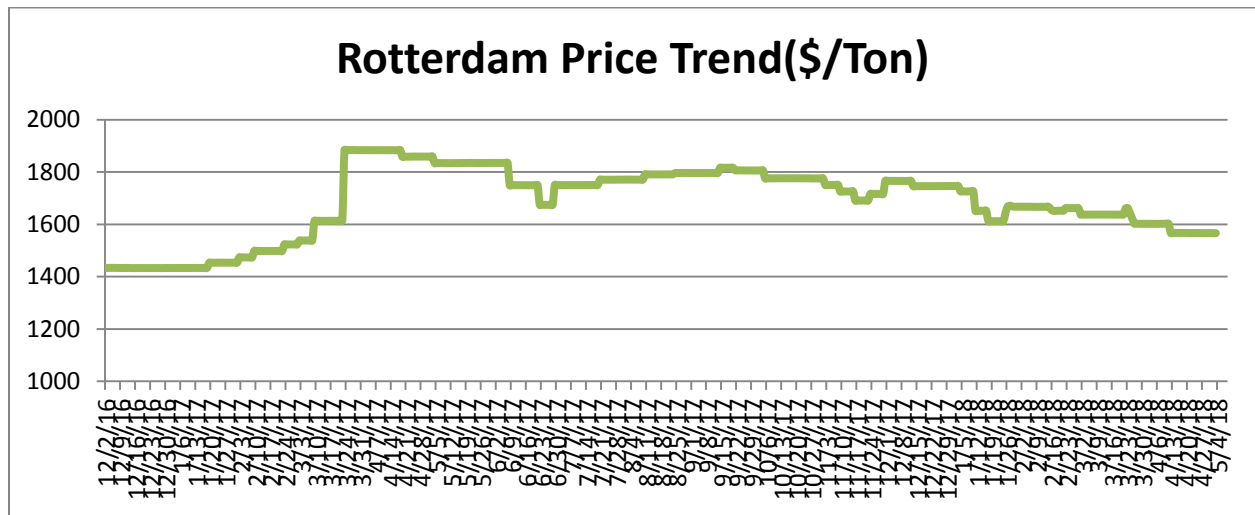
Castor Seed Global Production share:

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
		7th July to 13th July 2018	30th June to 6th July 2018	
Gujarat	Patan	4279	4042	238
	Harij	4315	4035	280
	Rajkot	4205	3895	310
	Gondal	4258	4028	230
	Deesa	4269	4033	236
	Bhabar	4317	4033	283
	Mehsana	4266	4039	227
	Kadi	4303	4055	248
	Sabarkatha	4329	4092	238
	Gandhi Nagar	4325	4069	256
	Ahmedabad (Sanand)	4297	4043	255
	Halvad	4192	3979	213
	Junagadh	3942	3951	-10
	Dhrol	3891	3650	241
Rajasthan	Jodhpur	4337	4058	278
	Sumerpur	4214	4033	181

Week on Week Price: Scenario of Castor Seed :					
Commodity	Market	Today	Week ago	Month ago	Year ago
Center		13-Jul-18	6-Jul-18	13-Jun-18	13-Jul-17
Gujarat	Patan	4250	4100	3775	NR
	Harij	4340	Closed	3825	NR
	Rajkot	4220	4040	3705	NR
	Gondal	4330	4105	3750	NR
	Deesa	4290	4125	3790	NR
	Bhabar	4400	4125	3810	NR
	Mehsana	4300	4125	3765	NR
	Kadi	4425	4165	3820	NR
	Sabarkatha	4375	4200	3825	4250
	Gandhi Nagar	4350	4165	3840	NR
	Ahmedabad (Sanand)	4335	4125	3740	NR
	Halvad	4250	4000	3750	NR
	Junagadh	NA	4000	3625	NR
	Dhrol	4000	NA	3450	NR
Rajasthan	Jodhpur	4380	4220	3600	4300
	Sumerpur	4200	4100	3800	4225

Castor Seed Cumulative Arrivals in Key Centers:				
Center	Market	7th July to 13th July 2018	30th June to 6th July 2018	Change
Gujarat	Patan	40125	22320	17805
	Harij	9150	3900	5250
	Rajkot	1638	1018	620
	Gondal	2650	1679	971
	Deesa	5106	4506	601
	Bhabar	40280	20040	20240
	Mehsana	9825	6375	3450
	Kadi	19104	21280	-2176
	Sabarkatha	920	800	120
	Gandhi Nagar	3750	2250	1500
	Ahmedabad (Sanand)	19	8	11
	Halvad	660	750	-90
	Junagadh	96	170	-74
	Dhrol	9	24	-15
Rajasthan	Jodhpur	413	375	38
	Sumerpur	1200	1040	160

Total Arrivals/Above Markets	134945	86535	48411
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