



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:

- Castor seed cash market traded weak in third week of July even with lower arrival.
- 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 weak in 03rd week of July with lower arrival, all India arrival of castor seed reported were 64299 quintals which was lower by 70646 quintals than last week arrivals of 134945 quintals.
- Heavy rains witnessed over Castor growing regions of Gujarat during last week. This may lead to increase in acreage under Castor seed. Moreover, sudden rise in prices after making high of Rs 4446 /qtl also sent right message among the farmers. There are reports that rain in Surendra Nagar and Banaskant districts is good which will increase the acreage gain in Castor to some extent.
- The Solvent Extractors' Association of India has compiled the export data for export of oil meals for the month of June 2018. The export of oil meals during June 2018, provisionally reported at 166,833 tons compared to 251,124 tons in June 2017. The overall export during April to June 2018 is reported at 654,774 tons compared to 599,346 tons during the same period of last year i.e. up by 9%. The export of rapeseed meal is sharply increased to nearly 135,000 tons (90%), in first three months, mainly exported to South Korea and Thailand.
- During April - June 2018 Vietnam imported 116,839 tons of oil meals (compared to 86,458 tons); consisting of 7,160 tons of soybean meal, 32,506 tons of rapeseed meal and 77,173 tons of De-oiled Rice Bran Extraction. South Korea imported 132,618 tons of oil meals (compared to 233,812 tons) ; consisting 121,741 tons of rapeseed meal, 10,303 tons of soybean meal and 574 tons of castor meal. Thailand imported 101,243 tons of oil meals (compared to 35,169 tons); consisting 4,747 tons of soybean meal, 5,729 tons of De-oiled Rice Bran Extraction, and 90,731 tons of rapeseed meal. France imported 42,550 tons of oil meals (compared to 5,241 tons); consisting 41,099 tons of soybean meal and 1,451 tons of Castor meal.

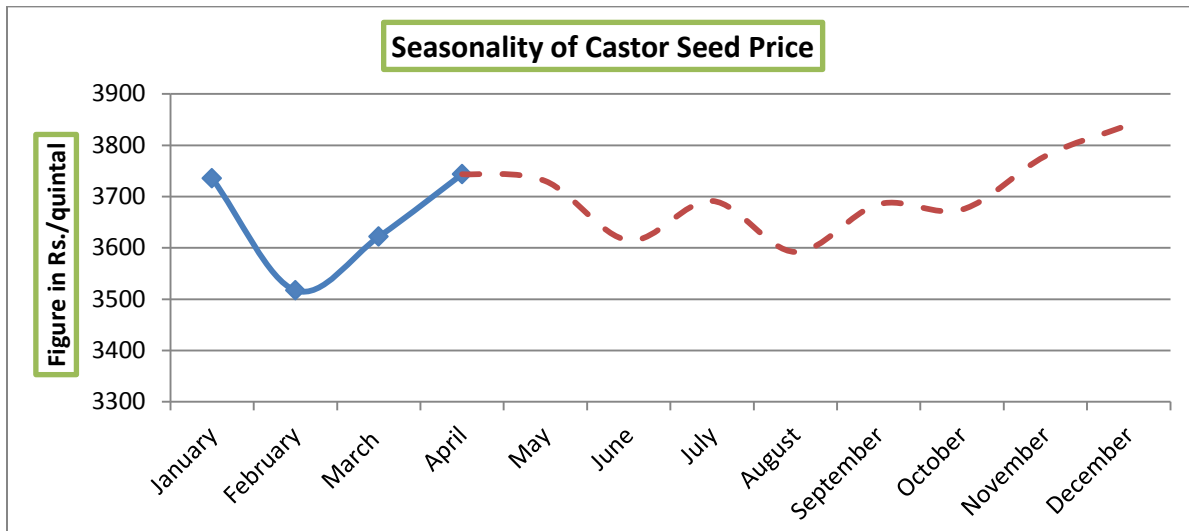
Kharif Castor Seed Sowing Updates as on 20.07.2018 (in Lakh Hectare):

State	CASTORSEED					
	Normal Area	Normal Area as on date	Area sown reported			Absolute Change
			This Year	% of Normal	Last Year	
Andhra Pradesh	0.63	0.13	0.08	12.7	0.06	0.02
Gujarat	6.70	0.26	0.06	0.8	0.54	-0.49
Haryana	0.01	0.00	0.00	80.0	0.00	0.00
Jharkhand	0.01	0.00	0.01		0.00	
Karnataka	0.11	0.06	0.04	37.7	0.04	0.00
Madhya Pradesh	0.05			0.0		0.00
Maharashtra	0.15	0.08	0.07	44.8	0.04	0.03
Odisha	0.11	0.03	0.01	11.7	0.02	-0.01
Rajasthan	1.96	0.16	0.15	7.8	0.36	-0.21
Tamil Nadu	0.06	0.01	0.01	14.5	0.00	0.01
Telangana	0.72	0.37	0.17	24.1	0.18	0.00
Others		0.00	0.03		0.00	
All-India	10.49	1.09	0.63	6.0	1.25	-0.63

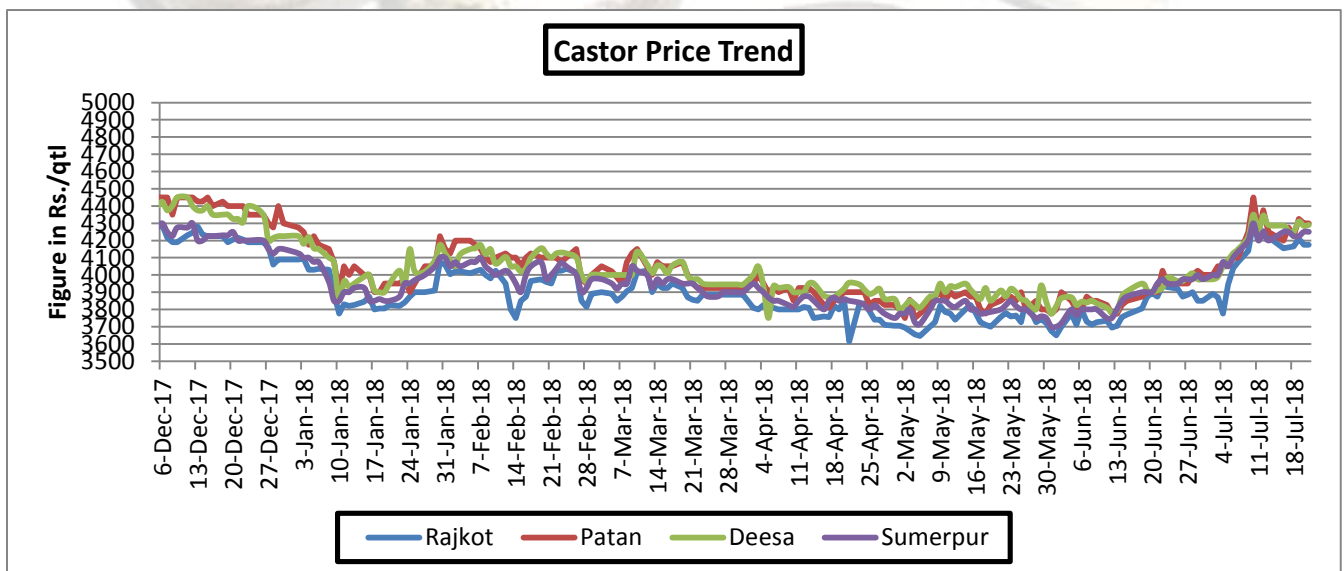
All India castor seed sowing as on 20th July-2018 was 0.63 lakh hectares which is down by around 50% from last year corresponding period area of 1.25 lakh hectares and around 42% down by normal area o corresponding period. Lower area is reported from the states of Telangana, Gujarat and Telangana, while higher acreage is only reported from Andhra Pradesh.

Stake holders in cash market may opt for buying seed around Rs. 4444 to Rs.4500 for profit purpose.

Seasonality of Castor Seed Price



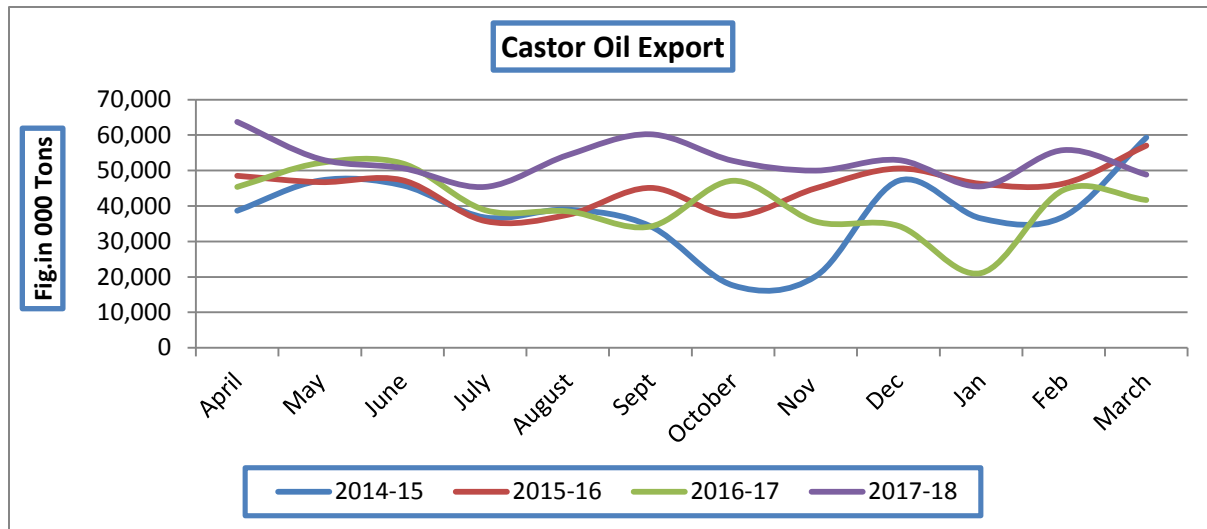
Castor Price Trend:



Source: Agriwatch

Castor seed price trend is moving steady to firm in coming weeks due to lower arrival from major producing regions and constant demand from consuming states. A decline in ready stocks due to pause in supplies from growing belts amid strengthening demand for consuming industries such as soap, paint and lubricant industries in the spot markets, enthused traders to build up their holdings, marking the uptick in castor seed futures prices.

Castor Oil Export Trend:

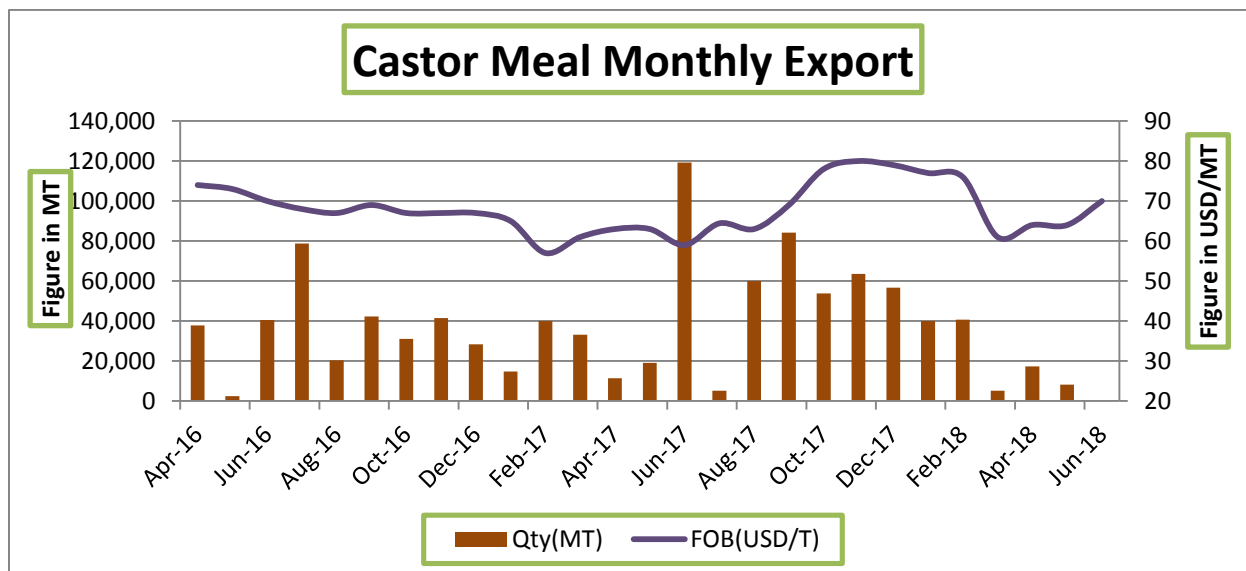


Source: Sea Of India

As per latest data released by SEA of India, Castor oil export in the month of May was 58725 thousand tons which is up by 29% from last month export of 45589 thousand tons and 10% up from corresponding period last year export of 53259 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 FY-2018-19, total castor oil exported was around 1.04 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)	4050-4250	4200-4450
Medium Term (30 days)	4450-4650	4500-4800

Source: SEA.

Comparative Prices Of Castor Products Including Seed					
	13th July '18	6th July '18	13th June '18	13th July '17	CHAN GE %
Castorseed (Gujarat)((Rs./M.T) Ex-Mandi	43900	42900	39100	44290	-0.89
Castor Meal Export (FAS) (US\$ / MT),Ex Kandla	75.00	73.00	70.00	57.00	24.00
EXPORT (FOR) Ports (Rs./MT) Castor meal bulk Kandla	5100	5050	4700	3683	27.78
Castor Oil (First Grade) FOB Kandla (Export)\$ /Tonne	1345	1305	1225	1513	-12.49
Local rates for oil in domestic market (Rs./M.T.) for comm.	91500	90000	83500	95465	-4.33



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.
- RSI is moving is overbought region which indicates caution for bulls.


Strategy: Buy on Dips

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Castor	NCDEX	Aug	3800	3850	4544	4650	4700
Pre Weekly Trade Call			Call	Entry	T1	T2	SL
Castor	NCDEX	Aug	Buy	4446	4500	4520	4439

Castor Seed- Balance Sheet for 2017-18:

Agriwatch estimates for 2017-18 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.

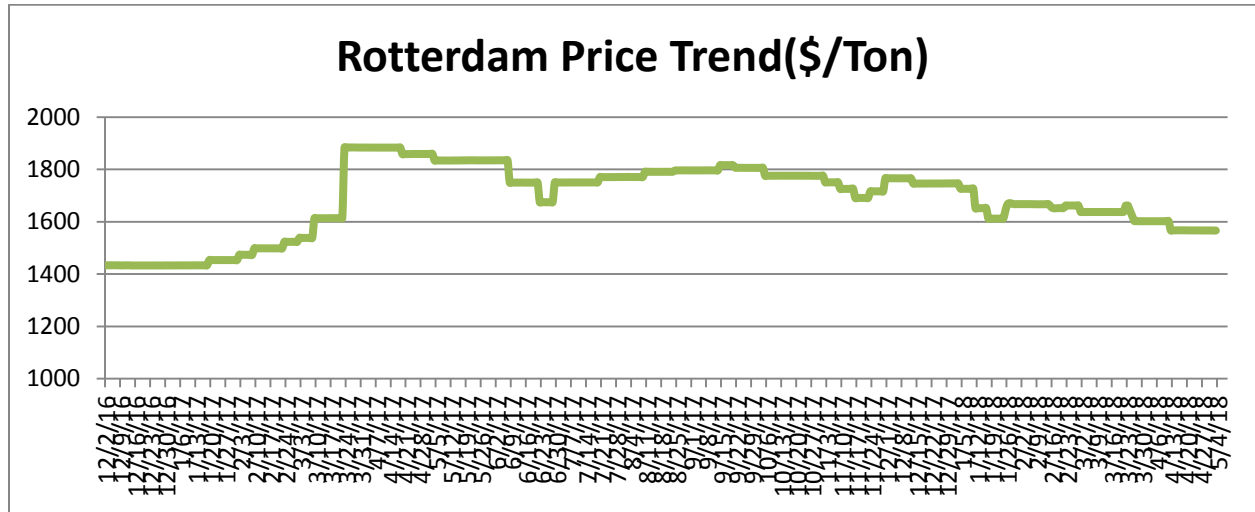
Castor Seed Supply & Demand for MY-2017-18:

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

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
		14th July to 20th July 2018	7th July to 13th July 2018	
Gujarat	Patan	4265	4279	-14
	Harij	4305	4315	-10
	Rajkot	4173	4205	-32
	Gondal	4252	4258	-6
	Deesa	4277	4269	8
	Bhabar	4269	4317	-48
	Mehsana	4277	4266	11
	Kadi	4304	4303	1
	Sabarkatha	4319	4329	-10
	Gandhi Nagar	4325	4325	Unch
	Ahmedabad (Sanand)	4217	4297	-80
	Halvad	4270	4192	78
	Junagadh	4117	3942	175
	Dhrol	3790	3891	-101
Rajasthan	Jodhpur	4410	4337	73
	Sumerpur	4242	4214	28

Week on Week Price: Scenario of Castor Seed :

Commodity	Market	Today	Week ago	Month ago	Year ago
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Center		20-Jul-18	13-Jul-18	20-Jun-18	20-Jul-17
Gujarat	Patan	4300	4250	3900	4300
	Harij	4335	4340	3925	4350
	Rajkot	4175	4220	3895	4240
	Gondal	4255	4330	3955	4305
	Deesa	4285	4290	3900	4375
	Bhabar	4300	4400	3910	NA
	Mehsana	4300	4300	3895	4350
	Kadi	4335	4425	3925	4405
	Sabarkatha	4275	4375	3950	4375
	Gandhi Nagar	4325	4350	3950	4400
	Ahmedabad (Sanand)	4255	4335	3905	NA
	Halvad	4325	4250	3825	NA
	Junagadh	4175	NA	3900	4255
	Dhrol	NA	4000	NA	NA
Rajasthan	Jodhpur	4400	4380	3800	4330
	Sumerpur	4250	4200	3900	4250

Castor Seed Cumulative Arrivals in Key Centers:

Center	Market	14th July to 20th July 2018	7th July to 13th July 2018	Change
Gujarat	Patan	16125	40125	-24000
	Harij	2775	9150	-6375
	Rajkot	1175	1638	-463
	Gondal	995	2650	-1655
	Deesa	3472	5106	-1634
	Bhabar	16720	40280	-23560
	Mehsana	5475	9825	-4350
	Kadi	13064	19104	-6040
	Sabarkatha	840	920	-80
	Gandhi Nagar	1688	3750	-2063
	Ahmedabad (Sanand)	2	19	-17
	Halvad	371	660	-289
	Junagadh	28	96	-68
	Dhrol	6	9	-3
Rajasthan	Jodhpur	443	413	30
	Sumerpur	1120	1200	-80
Total Arrivals/Above Markets		64299	134945	-70646

A background image of several castor seeds, which are oval-shaped with a mottled brown and tan pattern, arranged in a loose cluster.

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